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Economic Affairs

Soviet Union

Economic Affairs

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ECONOMIC POLICY, ORGANIZATION, MANAGEMENT

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Aganbegyan, Other Academicians Discuss Quality Control

18200159a Moscow *STANDARTY I KACHESTVO*
in Russian No 4, Apr 88 pp 34-40

[Report on proceedings at enlarged session of the USSR Academy of Sciences Economics Department Bureau: "The Problem of Quality at the Center of Scientists' Attention"]

[Text] From the editors: An analysis of the responses to the selection of material for discussion published in the January and February issues of the journal has shown that some of our readers believe that the policy of using predominantly economic methods of controlling product quality means the possibility of a dismissive attitude toward organizational systems of control of the Comprehensive Quality Control System (KS UKP) type.

We can see the erroneousness of this approach when we have familiarized ourselves with the report published below by our special correspondent on an enlarged session of the USSR Academy of Sciences Economics Department Bureau, at which well-known economists and central economic department executives, discussing ways of solving the problem of product quality under the conditions of perestroika, set forth their viewpoint also on the correlation of organizational and economic methods at all stages of realization of the radical reform of management of the economy. The point being that a natural conclusion concerning the need for the organic unity of organizational and economic methods and, consequently, the creation of comprehensive organizational and economic quality control systems ensues from what was said at this session.

Nonetheless, the editors do not believe that this publication exhausts the subject of the discussion. After all, an answer was found to just one of the multitude of questions of which the exceptionally complex, multifaceted problem of quality control is composed.

We hope that continuation of the discussion and the active participation therein of our readers may not only reveal all these questions but also accelerate their solution.

On 26 January of this year the USSR Academy of Sciences Economics Department Bureau studied the question of ways to solve the problem of product quality under the conditions of perestroika. Scientists of various academy institutes and VUZ's, central economic department executives and the representatives of a number of ministries and sectoral research organizations were invited to the session.

Opening the session, Academician A.G. Aganbegyan observed that it was essential to study the problem of product quality in a close relationship with the entire set of problems being tackled in the course of perestroika and in the process of realization of radical economic reform. He emphasized here that securing a significant growth in production efficiency, which is extremely necessary for an appreciable increase in the satisfaction of social requirements, that is, for the accomplishment of a basic task of the development of socialism, is impossible without a fundamental improvement in product quality.

It is up to us, A.G. Aganbegyan said, to exchange opinions as to what is happening with regard to product quality and try to answer the questions of why we as yet see no cardinal changes here and what needs to be done in order that the quality of the domestic product attain a world level and truly become competitive on world markets.

The paper "Increased Product Quality" was presented by Academician S.A. Khristianovich. The following participated in discussion thereof: L.I. Rozenova, deputy chairman of the USSR State Committee for Prices, V.V. Tkachenko, deputy chairman of the USSR State Committee for Standards S&T Council, Academician T.S. Khachaturov (USSR Academy of Sciences Economics Institute), Prof Ye.T. Udovichenko, doctor of economic sciences ("Sistema" Science-Production Association), Prof V.N. Livshits, doctor of economic sciences (USSR Academy of Sciences Control Systems Institute), Prof M.I. Kruglov, doctor of economic sciences (USSR Ministry of Light Industry All-Union Measurements Correspondence Technical School), Prof R.N. Kolegayev, doctor of economic sciences (Kharkov Technological Institute), Prof A.V. Glichev, doctor of economic sciences (VNIIMISP), Prof G.G. Azgaldov, doctor of economic sciences (Military-Engineering Academy imeni V.V. Kuybyshev), and Candidate of Economic Sciences V.I. Sinko (USSR Academy of Sciences Institute of the Economics and Forecasting of S&T Progress).

Experience and Problems of the Organizational Solution

Product quality, Academician S.A. Khristianovich believes, depends primarily on the degree of perfection of the organization of production. For this reason he sees as the main cause of the deceleration of productivity growth and the low quality of domestic products the fact that "the entire system of the organization of our production, our technical legislation, regulations pertaining to the structure of enterprises and their relationships, personnel and salary and bonus systems, rules and production manuals and specialist training and improvement systems, changing too slowly, are lagging behind the S&T revolution and fail to correspond and are frequently contrary to its requirements."

Proceeding from this, S.A. Khristianovich, taking as a basis the long experience accumulated in industry, analyzed the trends of the development of the organization of production and control of the quality of labor and output, revealed a number of fundamental shortcomings in this work and outlined certain ways of removing them. He paid particular attention here to the current systems of the standardization and certification of products by quality category and the development and organization of products for production.

Thus analyzing the domestic system of standardization and comparing it with foreign systems, the speaker observed that it basically corresponds to the requirements of the socialist planned economy. However, its fundamental drawback is manifested in the fact that domestic standards and specifications inevitably determine very low quality requirements. This is caused, S.A. Khristianovich believes, by the fact that the standards and specifications are mandatory to an equal extent for all enterprises manufacturing a given product, and a violation of the requirements of these manuals is fraught with the danger of administrative, economic or criminal proceedings even being brought against the culprits. For this reason standards and specifications are necessarily drawn up such as to ensure that the product of even the worst enterprise satisfy their requirements. If, however, a progressive enterprise begins to manufacture a higher-quality product than provided for by the rules and production manuals, its achievements cannot be standardized since the product manufactured by other enterprises would otherwise have to be rejected. For this reason the ministries struggle not for a heightening but a lowering of the requirements of the standards.

To remove this shortcoming of the domestic standardization system the speaker proposed that the enterprises be allowed to have their own standards for higher-quality products. And these standards, which he believes, should be called higher-quality standards, should be used, furthermore, not in place of but supplementary to the corresponding official standards and specifications. Without violating the current system of the planning of the quality of products manufactured by the country's enterprises, the proposed standards would legally enshrine the achievements of progressive enterprises. This is very important both for substantiation of their right to additional encouragement, a source of which could be, for example, a corresponding addition to the price of the higher-quality products, and for the planning of work to enhance the organizational and technical level of production at all other enterprises.

Higher-quality standards, S.A. Khristianovich said, should be the legal basis for the conferment on products of the official Emblem of Quality. And prior to the conferment on a product of the Emblem of Quality the State Inspectorate authorities would hardly need to monitor the correspondence of its parameters to the requirements of the higher-quality standards since under the conditions of the operation of the USSR State

Enterprise (Association) Act the relations of the producers and consumers of a product are exercised on a contractual basis. But as soon as the official Emblem of Quality is conferred on a product, the correspondence of its consumer properties to all the requirements of the higher-quality standards should be subject to strict official supervision. Only in this case will the official Emblem of Quality mean in practice that the state guarantees the high and stable quality of a product and its competitiveness overseas.

Academician S.A. Khristianovich sees as a reason for domestic products lagging behind the world level the shortcomings of the current organization of the creation of new technology. In this connection he, *inter alios*, said that our country had in the past accumulated great experience of the creation of new sectors of production on a scale and within a timeframe which had astounded the world.

An analysis of this experience permitted the speaker to conclude that the main task of the organization of the creation of new technology is to ensure that the entire chain of new production (scientific research, design, creation of the test model, series production, operation and maintenance) be created simultaneously and be covered by a single plenipotentiary management in possession of a continuously operating feedback system. All necessary operations should be combined to the greatest possible extent here.

The formation of science-production associations and intersectoral S&T complexes is contributing to the realization of these conditions and requirements. At the same time the speaker emphasized particularly that their creation by no means precludes the need for the use of adequate organizational quality control systems. For this reason not only a critical analysis of the very rich experience of the elaboration and use of systems of control of the quality of labor and output at enterprises and in associations of various sectors of industry but also the organization of their further development and improvement with reference to the new management conditions are essential.

Noting the need for public channels of communication with the party and state authorities, Academician S.A. Khristianovich proposed in conclusion the creation of public quality committees under the auspices of party authorities of all levels—from the raykom through the CPSU Central Committee.

Particular Features of the Transitional Period

In his speech V.V. Tkachenko, deputy chairman of the USSR State Committee for Standards S&T Council, observed that the restructuring of the entire system of domestic standardization with reference to the new management conditions is at the center of the attention of the leadership of the USSR State Committee for Standards, is being carefully studied by its institutes and

is a subject of comprehensive discussion and debate, in which broad circles of the S&T community are being enlisted. At the same time he emphasized that whatever the correct organizational solutions, they will produce the due results only if economic conditions are created in the country which are sufficiently strong in prompting enterprises and organizations to ensure the high engineering level and quality of their products.

In capitalist countries, V.V. Tkachenko said, the producers are strictly dependent on the consumers. High quality and low expenditure there are the main weapon in the struggle against competitors for a sales market and for the possibility of surviving and prospering. It is for this reason that all types of marketing—industrial and consumer, local and international—are so greatly developed and prevalent overseas.

As is known, marketing provides for the ascertainment and consideration of all factors contributing to the successful sale of commodities, the speaker said. One such factor of tremendous significance for ensuring stable demand for relatively complex engineering products is their reliability and fault-free operation. This important property is secured not only design-wise and technologically but also organizationally, specifically, with the aid of systems of the defect-free manufacture of products.

Noting that the first such system was created in the 1950's at enterprises of Saratov Oblast, V.V. Tkachenko said that, despite its great prevalence and considerable development, the problem of the defect-free manufacture of highly dependable equipment has not been properly solved in our country. And some scientists explain this, furthermore, by the fact that the defect-free manufacture of products is impossible in principle. This is indisputable—theoretically. However, overseas, where the Saratov system, under the name of the zero defects system, has become more prevalent and developed than with us, such a high quality and stability of the manufacture of products has been achieved as makes it possible to speak with every right about the creation of practically defect-free technology or defect-free production. Thus no more than 10 defects per 1 million products are permitted at a number of Japanese firms.

Consequently, the speaker concluded, it is not a question of the theory and practice of the organization of production but of the fact that in our country, given the current economic mechanism, production is not subordinated to the requirements of the consumer, and he, lacking the possibility of choice, is forced to take the product which he is given. For this reason official approval has now begun on behalf of the state to defend the consumers' interests.

Describing the introduction of official approval as a forced and very tough measure for producers, V.V. Tkachenko noted particularly that, thanks to the activity of the new authorities, there had been a significant

improvement in extradepartmental supervision of the position of the consumers. Thus in the year that has gone by official approval at 1,512 enterprises of 26 ministries prevented the supply to consumers of more than R13 billion worth of substandard products, sending them for modification following first submittal, when the products were not suitable for use.

Comparing the averted losses, running to billions of rubles, of consumers spared the use of substandard products with the expenditure on the maintenance of the official approval authorities not exceeding several tens of millions of rubles, V.V. Tkachenko observed that extradepartmental supervision has been sufficiently effective even at the first stage, the main task of which is ensuring the stable manufacture of good-quality products. This effectiveness will increase appreciably at the second stage of the development of official approval, when the sphere of its activity will extend to the preproduction phases of the creation of new and modernized products and will be in a position to actively influence a rise in their engineering standard.

Problems and Difficulties of Economic Management

Emphasizing the decisive significance of the economic aspect of the problem under discussion, L.I. Rozenova, deputy chairman of the State Committee for Prices, said that an increase in product quality should be secured not at any price since it is not an end in itself but a means of economizing on social labor, that is, of a growth of production efficiency. For this reason the State Committee for Prices has always attempted in tackling the task of economic stimulation of an improvement in product quality to link the price of products with the efficiency of their use. However, this has been done insufficiently consistently, and it has not been possible to do away with the costs nature of pricing, which is rightly criticized.

Since the start of the current year, L.I. Rozenova said, the price has been determined as part of the beneficial effect derived from an improvement in consumer properties and has been broken down into costs and profit. Under the conditions of self-financing this should stimulate the endeavor to create high-grade highly efficient products with the least expenditure.

At the same time the speech mentioned particularly that now, when the diktat of the producer over the consumer has not yet been eliminated, introduction of the new price model by no means precludes the objective need for price discounts on products pertaining as a result of certification not to the top but to the first quality category. L.I. Rozenova believes that these discounts, stimulating the updateability of products and their enhanced engineering standard thereby, actually complement official approval ensuring an increase in the quality of manufactured products now. Therefore despite the increased pressure of industry, it would be inexpedient to abolish discounts until the conditions have been created in the country whereby the need for the means of

official quality control employed currently disappears since many of the tasks of this control will certainly be tackled more efficiently by the clients and consumers of the products themselves.

The speech of Prof V.N. Livshits, doctor of economic sciences (USSR Academy of Sciences Control Systems Institute), showed that even now, in the initial period of perestroika, special contours of regulation geared such as to ensure that independent enterprises switched to full cost accounting aspire to increase their profits precisely by way of an enhancement of the engineering standard and quality of the manufactured product are necessary in addition to the traditional means of official quality control. Substantiating this fundamentally important proposition, V.N. Livshits, inter alios, said that without the regulating pressure of these contours the financially autonomous enterprise, endeavoring to secure the mode of production-economic activity, determined currently only in terms of the profit maximum, most advantageous to itself, will inevitably also establish the optimum product quality level for itself, which under the conditions of the diktat of the producer over the consumer cannot be high. In order, however, that a high product quality profitable to the state be profitable also to the enterprises switched to full cost accounting not only the further development and improvement of standardization, certification and pricing but also the purposive attunement of such regulators, powerful, but previously practically unused in quality control, as the placing of government orders, allocation of materials and equipment in short supply, taxation, the granting of credit and others are essential.

At the same time V.I. Livshits' speech emphasized particularly that for ensuring the practical possibility of the attunement to product quality of regulators "working" for production efficiency the affirmation alone that quality is a measure of efficiency is manifestly insufficient: the establishment of quite precise dependencies between expenditure on an improvement in the quality (consumer properties) of products and the increase in the effect from their use derived by the producer, consumer and the state is essential.

A general approach to the solution of this highly pertinent problem was reflected in the speech of Academician T.S. Khachaturov, who believes that the economic efficiency of a rise in product quality needs to be measured by the extent to which the improvement in products' consumer properties reduces the quantity thereof necessary for satisfying a certain requirement.

The speech of Prof G.G. Azgaldov, doctor of economic sciences (Military-Engineering Academy imeni V.V. Kuybyshev), showed very convincingly that there can be no question even of any precision of calculations of the efficiency of an increase in quality if quality itself is determined not in terms of the aggregate of all products' consumer properties but merely in terms of some, even the most important, properties.

Proceeding from the close relationship of the quality of products and the efficiency of their use, Prof R.N. Kolegayev, doctor of economic sciences (Kharkov Technological Institute), proposed at time of machinery evaluation the use not only of its engineering specifications but also economic characteristics. He believes that in this event the acquisition of new equipment would cease to resemble for the consumer the purchase of a pig in a poke.

Candidate of Economic Sciences V.I. Sinko (USSR Academy of Sciences Institute of the Economics and Forecasting of S&T Progress) considers it necessary for the establishment of enterprises' economic financially autonomous responsibility for product quality to ensure the organic connection of the specifications of the manufactured products with the indicators of the workforce's production-economic activity.

From Organizational to Organizational and Economic Systems

Describing the situation that has taken shape in the initial period of perestroika, Prof Ye.T. Udovichenko, doctor of economic sciences and general director of the "Sistema" Science-Production Association, concluded that it is manifestly unpropitious for the successful and rapid solution of the problem of a fundamental rise in product quality. He emphasized particularly here that without the demonopolization of production and the elimination of the unprofitability of the economy the transfer of enterprises to full cost accounting not only will not guarantee an improvement in the quality of the manufactured product but is fraught with the danger of its deterioration.

In the speaker's opinion, the sufficiently efficient functioning of the mechanism of the economic control of product quality will not come about soon since it is necessary for this to eliminate the diktat of the producer over the consumer. For this reason it is now extremely important to rehabilitate the old forms and methods of organizational control of product quality, which have allegedly become unnecessary, but which have been comprehensively tested and, given nonformal use, are highly dependable and effective. And comprehensive quality control systems at enterprises and in associations and in sectors and regions should be rehabilitated and adapted to the new conditions primarily, what is more.

Regarding the KS UKP as a means of the organizational solution of economic problems of the transitional period, Ye.T. Udovichenko observed that this system has big potentialities as yet unrealized in our country. This may be judged from the highly impressive successes of many foreign firms employing virtually analogous organizational quality control systems created, what is more, on the basis of principles developed and tested at corresponding Soviet enterprises.

First, the formation in the country of a system of product certification providing, specifically, for an assessment of the capacity of the control systems operating at enterprises for ensuring the stable manufacture of high-grade products, which has begun, and, second, the impending introduction of 9000 series ISO standards determining the requirements of quality-assurance systems, compliance with which, strictly speaking, is checked out at the time of product certification, should, the speaker believed, be important factors giving rise to the need not only for the extensive use but also further development and improvement of a KS UKP.

Thus, Ye.T. Udovichenko summed up, the revival and updating of a KS UKP and the realization of its unutilized possibilities signify not a disregard for the tenets of a restructuring in the direction of transition to predominantly economic methods of management but an endeavor to effect the restructuring with the least losses.

In the opinion of Prof M.I. Kruglov, doctor of economic sciences (USSR Ministry of Light Industry All-Union Measurements Correspondence Technical School), reviving and updating organizational control systems, including the Lvov KS UKP and the Krasnodar KS UKP, is essential not for temporary—until the transition to economic management methods—but for permanent “work” since they will be necessary also under the conditions of economic management, which is taking shape as a result of the radical reform of management of the economy. Substantiating this viewpoint, he said, specifically, that economic methods may be sufficiently effective only if they are used not in place of but together with organizational methods of management. After all, an economic mechanism does not manage independently. Creating stimuli and preferences, this mechanism merely contributes to the formation of the appropriate management goals. Management itself, however, needs to be organized. And for it to be efficient, what are needed are the appropriate organizational systems: single-purpose systems of the KS UKP type or multipurpose systems of the Promenergoprojekt Comprehensive System type.

In conclusion M.I. Kruglov noted particularly that a dismissive attitude toward a KS UKP has usually been explained by the absence of an economic mechanism of product quality control. Therefore it is essential right now to do everything possible to remove the real danger of a disregard for this system being explained precisely by the presence of an economic mechanism.

Prof A.V. Glichev, doctor of economic sciences (VNII-MISP), called the attention of the participants in the session to the impermissibility of passive anticipation of the time when the latent potential of the KS UKP would be realized of its own accord only because the mechanism of the economic control of product quality would begin to operate. In his opinion it is essential even now to embark on a radical modernization of the KS UKP, as a result of which it should be reoriented toward the

conditions of the use predominantly of economic methods and converted into a system of the comprehensive organizational and economic control of product quality. In addition, it is essential to intensify work on scientific-methods support for the systemic control of production and product quality and appreciably increase the scale and enhance the efficacy of methods assistance to the enterprises and associations, sectors and regions. This work should, as the speaker emphasized particularly, be developed and headed by the USSR State Committee for Standards, which is entrusted with the functions of coordination of the activity being exercised in the country aimed at ensuring the stable manufacture of high-grade products.

Comprehensive Approach to a Comprehensive Problem

Summing up the session, Academician A.G. Aganbegyan said that the main thing in a solution of the problem of product quality is undoubtedly the subordination of production to the requirements of the consumer. In addition, for the creation of the conditions precluding the possibility of the acquisition of that which is substandard and satisfies the requirement inadequately the substitution of free wholesale trade for centralized supply and the achievement of financial balance in the economy are very important. The problem of the monopolization of the production of this type of product or the other becomes very serious in this connection. Although this policy is provided for in the State Enterprise Act, specific measures in respect of its realization have yet to be formulated.

Speaking of the economic set of instruments, A.G. Aganbegyan observed that pricing is the most effective for stimulating a rise in quality and destimulating its deterioration. Truly, were prices to be constructed such that a deterioration in the quality of products rendered them unprofitable, no one would under the new management conditions produce these products. On the contrary, everyone would endeavor to improve the quality of products if this ensured the far greater profitability of production. For this reason a reform of pricing would seem very important.

No less important, A.G. Aganbegyan believes, is an improvement in the organization of quality control. Therefore, while recognizing as interesting and promising the ideas and proposals of the speakers pertaining to an improvement in work in this field, he raised in addition to them the question of the need for an acceleration of the practical creation of a network of state product testing and certification centers since without a sufficiently precise and objective evaluation of the competitiveness of products it will hardly be possible to create an efficient system of stimulation of a rise in the quality of domestic products to the world level.

A.G. Aganbegyan then drew the attention of the participants in the session to the actual possibility of an appreciable rise in the efficiency of organizational quality control by way of the extension of the processes of

democratization and glasnost to this important sphere of production-economic activity. In this connection he described as highly promising N.Ya. Petrakov's proposal in NEDELYA concerning the creation in the country of consumer societies, making use of the highly abundant foreign experience here.

Were in any capitalist country, A.G. Aganbegyan said, butter, for example, to be sold such as is sold with us, the consumers' society, having determined as a result of skilled analysis its inferior grade, would seek to have its production banned immediately. Nor would it permit the sale of, say, watermelons with a high nitrate content. The consumers' society would certainly organize a boycott by the population of the makes of television receiver which are liable to spontaneous combustion. Yet more than 2,000 instances of the spontaneous combustion of television receivers have been recorded in Moscow alone. Therefore if at the call of a consumers' society such television receivers ceased to be purchased and the corresponding plants were forced to end their manufacture, from the viewpoint of individual consumers and society as a whole this would be entirely just and beneficial. Now, however, these plants are promising over a period of time, almost 5 years, to replace some units and remove the danger of the television receivers' spontaneous combustion. But in practice one plant replaces a unit, another, not, in some instances this has an effect, in others, not. All this testifies to the actual defenselessness of the consumers, individual consumers particularly. Therefore, we need to unite them in a consumers' society and endow these societies with the necessary testing facilities and accord them the appropriate rights. As a result the broadest circles of the public would be enlisted in quality control.

Another area of the democratization of quality control, A.G. Aganbegyan continued, is the enlistment in this important business of the numerous production efficiency experts and inventors, the universal spread and stimulation of the activity of quality groups and the specific orientation of various forms of the organization of labor based on the group contract. In other words, it is essential to organize a mass movement for labor and product quality from below, on the part of the workers. It is very important here to ensure an effective struggle against the consequences of the corrupting influence of the stagnation period, which was reflected in a lowering of work quality. Thus in the 1950's our light industry was manufacturing unattractive, but nonetheless good-quality products. The sole of boots, for example, which compared with modern ones seem very crude and artless, of course, did not come off and did not wear excessively. Intricate equipment was soundly made also. After all, the first television receivers, albeit primitive—small-screen black and white—worked faultlessly for many years, and there were no problems concerning the warranty and repairs. This means that people had a conscientious attitude toward their work, tried to perform it soundly and took their work to heart. And the fact that this is now a great rarity is, perhaps, the severest

consequence of the stagnation period. For this reason it is very important to concentrate attention on the inculcation in the workers of a conscientious attitude toward work and a tightening of supervision and an increase in the efficacy of the stimulation of an improvement in the quality of labor and the quality of product manufacture. It is toward this that the activity of the technical inspection services and the official approval authorities and the entire system of remuneration, bonus payments and moral incentive and training and education should be directed.

In conclusion A.G. Aganbegyan observed particularly that the USSR Academy of Sciences Economics Department was greatly in arrears to the country and was duty bound to stimulate work on the problem of product quality. Therefore the first result of this session should be a plan of coordination for the comprehensive study of this complex problem.

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Two Plant Directors Express Opinions on Perestroyka

18200167a Moscow SOTSIALISTICHESKAYA
INDUSTRIYA in Russian 18 May 88 p 4

[Article by V. Zenkovskiy and N. Chulikhin, special correspondents, Kostroma: "Master Or Proprietor"]

[Text] On 12 December of last year, SOTSIALISTICHESKAYA INDUSTRIYA acquainted its readers with the experience accumulated in the introduction of cost accounting at the Kharkov Porshen Plant. The publication aroused a considerable amount of interest. Production organizers, specialists and scientists rushed to Kharkov from all corners of the country for the purpose of acquiring this experience. Since that time, the Porshen Plant has been visited by approximately 200 delegations.

In response to the editorial board's initiative, this leading enterprise was also visited by representatives of the Kostroma Motordetal Plant. And subsequently residents of Kharkov went to Kostroma in order to furnish the details of their own experience to the collective engaged in making the same pistons. Following this, a roundtable discussion was held at the Motordetal Plant. Today we are publishing a report by our special correspondents concerning this roundtable discussion.

A Bonus for Obedience

The purpose of the trip turned out to be quite clear. Over a period of several years, the Porshen Plant has occupied a leading position in the all-union competition. It has achieved a great deal as a result of cost accounting. On the other hand, over the course of a second five-year plan the Motordetal Plant has still not been able to improve its status. Why is it that the leading workers did not

respond to the request by the editorial board and share their experience with those who fell behind? This was our feeling. And this feeling was shared by the Kharkov workers. But what about the Kostroma workers? Commencing with the very first meetings with the management of the Motordetal Plant, it became obvious that there never was any serious intent here to introduce the experience of their colleagues into operations. "Why convert over to the Kharkov model of cost accounting, if we have our own? such was the question that was sincerely asked by the Deputy Director for Economics V. Sobolev. "Certainly, there are new innovations that can be introduced. But basically we will not change a thing. We are now into our second year of operations under self-financing conditions.

The confidence exhibited by the deputy director in "his own" cost accounting inspired respect. It raised the thought: if there is a Kharkov model, why can there not be a Kostroma model? However, we did not entertain such hopes for very long. In the first department visited by Kharkov worker V. Sobolev, the Kostroma model revealed a large-scale crack. The chief of the department, V. Morozov, looked up over a ruled sheet of paper and testily stated:

"Here then is our cost accounting system. For two weeks I have haunted the thresholds of the departments with this sheet of paper. I must gather 18 signatures in order for an earned bonus to be issued. And it is this way every month. And indeed there are more than 600 men in my department. I do not wish to make the rounds of the offices— I must work!

If the collective issued the plan, and if it was for all of the indicators, then ourselves as well as the guests were bewildered as to why it was necessary to even discuss a collection of signatures. We glanced at the appeal made by the department chief: "timely and high quality carrying out of instructions," "timely delivery of equipment for repair work" and so on and so forth. Today not even school children are not subjected to such close support and distrust. How can it be linked to economic independence, without which cost accounting is practically impossible?

Let us analyze this situation together. What does the department chief ask of the occupant of a particular office as he extends to him the appeal? To furnish a signature? Formally, yes. But actually? He requests agreement for issuing a bonus to him. And regardless of the high results achieved by the collective which he heads, the occupant of the office will always have a question in reserve: "Were not all of my instructions carried out on schedule? Did I not complete all work as required? And if not, then you can take a firm stand. So that in the future the petitioner will not be self-willed but rather more obedient. And whether we wish so or not,

the department chief is faced with a dilemma: how to work? In a fully productive manner or while glancing in on the offices? To campaign for restructuring or to demonstrate obedience?

They strived mentally to imagine the situation: if each of 18 produce on the basis of an instruction— 18 commands. And attempt not to fulfill one of them. Try to disobey. The appeal will still be circulated and nothing will come of it. At this point they will have a talk with you.

No, there is good reason for the department chiefs being indignant. If nothing is approved in the plant administration, then the situation amounts to nothing more than a means for stifling any attempt at manifesting efficient and cost accounting independence, such as we have been discussing and writing about for some time now.

In preparing for the roundtable meeting, the guests from Kharkov conscientiously examined the essence of each question. In particular, they displayed interest in the manner in which the collective plans profit and whether or not there are stimuli for raising it.

"We formally commenced our planning in January" openly commented the chief of the piston foundry department G. Zhuravlev. "Consider the soundness of the plan which we issue, at what expense and how we are unable to exceed it. The department lacks an economist, a bookkeeper and specialists for labor and wages. At our plant, everything is taken into account on a centralized basis. And to bring influence to bear for the sake of profit, you surely can understand, is a rather hopeless undertaking. Yes and there are practically no stimuli available for accomplishing this.

One had to see the genuine interest displayed by G. Zhuravlev in listening to his colleague from Kharkov— department chief A. Poloninka. They work under different conditions. At the Porshen Plant, distinct from the Motordetal Plant, real profit rather than an imagined profit is planned for the departments. Payments are deducted from this profit for producer goods and labor resources. A portion of the profit remains at the disposal of the collectives, in the funds for material incentives and social development. Cost accounting penalties are employed in the relationships between the departments. If a partner's rights are infringed upon, the losses are reimbursed. It is difficult at times for a collective and yet it is aware of its goals and why the difficulties arise. In the face of such work, there is no room for indifference or laziness. Each individual is in the public eye.

"Our misfortune" commented G. Zhuravlev quite correctly, "derives from the fact that all of the statutes at the plant dealing with cost accounting are vague and diffuse. Thus cost accounting appears to be eroded. It seems to be present in both words and reports, but actually it does not exist."

Yes, during previous "roundtable" meetings in the departments and plant administration, we became convinced with our own eyes: full use was not being made at the Motordetal Plant of even just one of the basic principles of cost accounting—economic independence, interest in final results, material responsibility for one's work. Here they are not welcomed. Yet the requirements embodied in a principle, even though it is not law, must be followed in a strict manner. If this is not done, there will be no economic mechanism in operation. Down below, in the departments, this fact is understood. But up above, in the plant administration offices, for one reason or another the authorities do not wish to understand it. At Kostroma, representatives of the Porshen Plant, deputy general directors A. Petrovskiy and Ye. Palchik, department chief A. Polonkin and senior foreman V. Zinchenko had to answer dozens of written and oral questions addressed to them by middle echelon leaders and rank and file production workers. It was felt that the personnel do not wish to live and work in the old manner. They demand restructuring.

"Furnish the sectors with indicators and stimuli" stated senior foreman A. Golubev at the Motordetal Plant to representatives of the board of directors, "and you will see how we will begin to work."

And the reply given to him was calm and drawn out: "All of the indicators and stimuli are in the instructions. They have been issued to the departments and receipts obtained."

It is believed that the entire essence of the Kostroma cost accounting system is concentrated, as in a focus, in this stand taken by the board of directors. On what is it based?

How To Compare the Incomparable

However one attempts to compare the Kharkov cost accounting against the Kostroma brand, the comparison does not favor the latter. And particularly with regard to its return. Although the products produced by both enterprises are practically the same, nevertheless the Porshen Plant produces three times more output per ruble of fixed capital than does the Motordetal Plant. Moreover, its productivity is greater by twofold. The Kharkov workers carried out their deliveries to consumers by 100 percent, whereas the Kostroma workers, during last year alone, paid out 1,378,000 rubles in fines for failing to carry out their contractual obligations. Other such parallels could also be drawn. Only it would be in vain. Our attempts to convince the management of the Motordetal Plant to follow the Kharkov experience turned out to be futile. They did not recognize the experience but rather rejected it, choosing to give proper attention only to certain details.

For example, let us take such a basic aspect in the life of any enterprise as its technical policy. The experience accumulated at the Porshen Plant has shown that the

pulse of consumer demand can be felt and satisfied in an efficient manner only in the presence of mobile production. By no means does this imply a need for purchasing very expensive foreign or domestic automatic or mechanical lines which may not always be suitable for rapid restructuring. At times, it is considerably more profitable to develop one's own production of machines for the purpose of preparing the required lines. It bears mentioning that such a policy is being followed in Minavtoprom [Ministry of the Automobile Industry]. This is precisely the method which enabled the Kharkov workers, within a matter of several months, to master the production of new products which were in short supply.

Let us attempt to learn from the chief engineer at the Motordetal Plant, V. Shatunov, how they are handling the schedules for the mastering of new products.

"On the average, this requires a period of 2-3 years" was the reply. "Equipment must be ordered, funds must be procured and thereafter we must carry out the assembly and adjustment operations. No, it is not possible to proceed any more rapidly."

"But how can the workers in Kharkov do it?" we asked him.

"I do not believe that serious preparations can be made for production within such short periods of time. This is a deception and not preparation. Yes and we must not be enticed by our own machine tool industry. Why return to a natural economy? It would appear that plasma smelting at the Porshen Plant is proceeding in a fine manner. Let us look in on this operation."

The plant's director, V. Vaynshteyn, was in Kharkov. He studied the experience at first hand. What useful experience did he derive for himself and for the collective?

"In particular, I liked the system of economic training" the leader shared his impressions with us, "Our system of training is basically a type of review. Their training is specific and oriented towards production. The real problems are handled directly at the working positions. Certainly, this is something that can be adopted."

And is this all? Is there nothing to be said concerning the main consideration? And in our opinion the main consideration has to do with why the work proceeds well at the Porshen Plant but not at the Motordetal Plant. Why is it that some draw minimum amounts from the state and return maximum yields, while others take without measuring and are in no hurry to return that which they took. This started the director thinking. The reaction was instantaneous:

"What do you propose—a return to horses?"

Yes, many buildings at the Porshen Plant are truly obsolete. They cannot be compared against the modern buildings of the Kostroma Plant. Thus it must be very

distressing for the Volga area residents who, although working under incomparably better conditions, are unable to organize their work properly. Why? This question was not addressed to the Kostroma workers.

Let us try to understand why the personnel at the Porshen Plant work at high rates and exhibit a fine mood. A brief reply would be as follows—because they work out of a sense of industry and not just for the sake of obedience. It is not causes or excuses which dominate but rather the work itself. Thus the collective does not live under paper conditions, as is the case at the Motordetal Plant, but rather under real self-financing conditions. It earns money for itself using its machines and instruments and through the construction of new buildings and housing and also wages and bonuses. It makes regular payments for fixed capital and for bank credit. Thus it must count each kopeck and it must display ingenuity and enterprise. Moreover, it must develop direct contacts with the consumer and scrupulously engage in registering a profit. If this is not done, the plant will collapse.

Let us now discuss why the personnel remain at the plant. It is recalled that 5 years ago they were not so motivated. But following the arrival of the new general director N. Kutysyn, the recruitment of energetic and knowledgeable workers and the introduction of cost accounting at the plant, all of which helped to extricate the plant from the hole into which it had fallen, the personnel began to believe in the possibility of their working better. They understood that blessings had to be earned.

For a long period of time, the Motordetal Plant has been maintained by the state. More than 200 million rubles have been invested in the enterprise. Large quantities of imported equipment were brought in from all corners of the world. But the return was miserly. During 2 years of the five-year plan, the profit called for in the plan fell short by 7,400,000 rubles. It is claimed that the plant is operating on a self-financing basis for the second year and yet it is still unable to make a payment into the funds. No such payment is being withdrawn from it. And with such self-financing, who can count money. And it is not being counted.

Last year, the Motordetal Plant paid out approximately 3 million rubles in fines for various reasons, with 56,000 rubles in particular being lost for the "untimely return of packaging materials" and 447,000 rubles for having "shipped products in the absence of packaging." Upon learning of this, the Kharkov specialists could only shrug their shoulders in despair. And there was a reason. Last year, the Porshen Plant only paid a total of 30,000 rubles in fines. Such are the different levels of management.

What can the Kostroma workers say regarding their own cost accounting operations? What reasons can be cited for the lack of comparison of the production conditions. Everything was compared. Only the comparison did not favor the Motordetal Plant.

How Much Responsibility Should One Be Given?

"Regardless of the degree to which equipment and technology are discussed, the chief consideration nevertheless is the personnel" such was the statement made by the Kharkov workers during the meeting. And naturally, we could only agree with them.

Indeed it is no accident, according to studies carried out by one foreign firm, that 80 percent of its success is associated with the attitude of the personnel towards their work. And only 13 percent—with all of the remaining factors.

How does the human factor operate at the Porshen and Motordetal plants? What effect does it have on cost accounting? These questions were also raised during the editorial board's roundtable discussion. It should be emphasized that here we hoped for the use of an equivalent approach. Indeed the starting base on which the Kostroma workers set their hopes, when comparing the economic indicators, was the same in this particular instance: the party's program for the democratization of society and the laws governing a state enterprise and a labor collective.

However, it was precisely here that the contrasts manifested themselves in full measure. Compared to the Porshen Plant, where the leaders of all ranks, specialists and workers believed themselves to be the true masters of the situation under the new conditions, at the Motordetal Plant the officials did not even come close to this.

"As a department chief, I was given complete authority" stated a representative of the Kharkov workers, A. Polonnik, during the meeting.

And he cited several convincing facts as proof, incidents in which in the interest of the work independent decisions were handed down, in the absence of coordination with the plant's administration. For example, he refused to pay for expensive services by allied departments and found other solutions which were more profitable for his collective.

"We cannot say this about ourselves" unanimously stated the department chiefs of the Motordetal Plant. Whatever problem arises, it must be coordinated with the higher leadership. Hence we view our role as that of not undertaking excessive responsibility and carrying out all directives in an efficient manner.

And one of the departmental leaders stated directly:

"Regardless of the authority possessed by a department chief, he is still a subordinate individual."

Such is the logic. And such is the psychology that has developed at the Motordetal Plant. And it is followed by the leaders to whom hundreds of individuals are subordinate. What are the workers' thoughts regarding their role in restructuring? What about the feelings of a master?

At the lower "stages," the contrasts in the rights and responsibilities turned out to be even more striking? Whereas senior foreman at the Porshen Plant V. Zinchenko manifests economic interest when maintaining the "Diary of Production Reserves" and together with the brigade persistently implements the measures outlined in it (by the same brigade), at the Motordetal Plant all of the concerns of the foremen can be reduced to settling current problems and persuading the personnel to sacrifice their weekend time in behalf of the plan. True, it sometimes happens that a collective mobilizes an assault in the absence of such persuasion. For example, at the beginning of the year the chief of the department for processing sleeve pipe, A. Sivkov, issued an instruction which introduced a 12 hour working day commencing during the last 10-day period in January. And it was only the rightful indignation of the collective that forced this advocate of the order method to abolish this voluntaristic instruction.

However, it was actually carried out in actual practice. During the past year, for the plant as a whole, 24,225 man-hours of overtime were worked. On weekends—13,949 hours. In other words, each worker sacrificed five days off in behalf of the plant indicators. And it should be noted that this was not done of their own free will. How can this be combined with the country's program for expanding rights and for the democratization of society? With the KZoT [Labor Code] finally?

"We have already become used to this situation" stated the chairman of the plant's trade union committee V. Dorofeychik, testifying to his own helplessness. And he added: "But what is to be done? The plan must be upheld."

And the plan for the first quarter of this year was upheld at the Motordetal Plant. But at what Price? The overtime operations and work carried out on weekends cost the enterprise millions of rubles in losses. Here is only one typical example. On 9 January, 179 individuals worked at the plant on a weekend day. They produced 19,000 rubles worth of products. But the overexpenditure in production cost amounted to 23,000 rubles. Here then, under cost accounting and self-financing conditions, we find those same profit funds escaping, the absence of which is being referred to today by the plant leaders as an objective factor.

And what harm is being inflicted on the consciousness of people? They lose faith in the possibility of positive changes and more often than not they respond to the command style of management in the same manner - - they depart the enterprise. In many departments of the

Motordetal Plant, we unfortunately were given the names of experienced production workers who were forced to abandon the plant. They departed not long before the arrival of the Kharkov workers and the chief of department A. Sivkov. This was the same individual who issued the order calling for a 12 hour working day. There were some who understood that such methods did not correct the situation and others whose abilities were simply overtaxed.

The worst development was the fact that not one of the present leaders at the Kostroma Plant was inclined to recognize the faulty practices being employed here in personnel work. To the contrary, attempts are diligently being made aimed at proving that everything is being done in keeping with the spirit of the times. But facts can be very obstinate and at times one cannot argue with them.

But the chairman of the labor collective's council, brigade leader V. Sharov, stands and to the surprise of the Kharkov workers mentions that the administration is remaining off to the side and avoiding the plant's problems. He had not been invited to one meeting with the director or chief engineer. Thus the head of this supposedly democratic organization involuntarily turns out to be incompetent in many areas of concern. Yes and the council's meetings are held in the director's office, where the personnel tend to be paralyzed by the atmosphere.

Why was this important work handled in this manner? Was it for the purpose of preventing the workers from exercising their legal right to participate in administering the enterprise?

We had hoped to receive an answer to this question from the secretary of the plant's party committee V. Dzhanovich. But he preferred to remain silent behind the "roundtable." Thus we took advantage of the status of V. Vaynshteyn. A chief of one of the departments merely had to mention that he had turned to the administration with a specific recommendation for the development of cost accounting, with no support being shown for his position, and immediately the office was filled with the director's wrath:

"I thought that a department chief would be inclined to discuss other rights" stated V. Vaynshteyn with unconcealed irritation, "One must review once again his responsibilities."

Judging by the tone of the enterprise's leader, characterized by a dressing down even during the peak of the discussion concerning democracy, we could not longer doubt but that such a review was in order. The work could only profit from such a review.

Yes, some administrators are still being drawn towards the command and order type of management. By no means do they wish to yield their positions or return to a lower rank than that granted to them by the new laws.

Using the various types of bureaucratic circulars, shouting and threats, they hope to restrain the course of restructuring. Only this is in vain. Nothing will develop from it. Success in the future is guaranteed only to those enterprises where, similar to the Porshen Plant, the collectives have acquired genuine rights and independence in solving all problems and where the proprietors have been replaced by true masters of production operations.

What Can Be Seen From An Office?

Following the "roundtable," we analyzed its results for a long period of time. It uncovered too many diametrically opposed aspects in the work of the two related enterprises. But even more startling was the atmosphere in which the exchange of leading experience took place. Actually, the workers from Kharkov, who had volunteered to travel thousands of kilometers for the purpose of sharing their achievements, found themselves defending their own operational methods rather than passing along advice to a backward collective. For their part, the Kostroma workers seemed to ignore this advice and insisted on proving that they were performing just as well

How did this come about? Indeed, the idea of transferring experience is both healthy and vital. If they had taken advantage of this experience, the leaders of the Motordetal Plant beyond any doubt could have untied their knot of problems and achieved radical changes in the work of their enterprise.

But they did not do this. Instead, they adopted the position of actively resisting leading developments. Was this a random happening?

The meeting with the administration and specialists of the Kostroma Plant is recalled and one is convinced: no, it was not a random happening. The editorial board did not meet only the representatives of two enterprises at the "roundtable"—a leading and a backward enterprise. Two positions were also encountered. One—an initiative. Complete and untiring innovative search. Permeated by the spirit of radical restructuring. The other—a passive position that is based upon parasitism and upon the desire, at any cost, to preserve the system which makes it possible to endure a period of raised requirements, in the absence of unnecessary expenditures of resources.

In the interest of avoiding an opinion concerning categorical judgments, permit me to cite in conclusion several more facts. At the Porshen Plant, 240 workers are standing on line waiting for housing. And as mentioned by a representative of the enterprise, there is no problem here with regard to ensuring that sufficient apartments are available for those needing them by the year 2000. The task will be carried out considerably earlier. At the Motordetal Plant, the personnel strength of which is greater by twofold, there are 1,264 individuals requesting housing. One out of every four! This is an extreme

situation. And the chairman of the trade union committee, V. Dorofeychik, states in a calm manner: "We are not carrying out the party's instructions with regard to solving the housing problem." This then is the campaign for restructuring!

In the party committee at the Motordetal Plant, as a result of feverish work, we were shown a large book—the all-round program for developing the plant during the 12th Five-Year Plan. We open it up to a section bearing the high-flown title "Improving the Social Structure of the Enterprise." What is planned for this goal? To achieve an increase in workers of 450 during the 1986-1990 period. To organize personnel training directly at the enterprise. These are all improvements. And what happened: last year 836 individuals joined the plant while 847 were released. These figures speak for themselves. This system, the efficiency of which was stressed by V. Dzhanovich, even if it worked would be moving in the reverse direction.

At this point, we were startled. The alarm had to be sounded. An attempt had to be made, together with the collective, to analyze the causes of the social problems and to undertake urgent measures. And the possibility of utilizing the experience of the workers from Kharkov must not be overlooked. But the secretary of the party committee, similar to other plant leaders, did not see any special cause for alarm. Thus, instead of improving production relationships, the command-volitional method for adjusting them to the productive forces became the norm at the plant. It was that simple: an order was issued, a resolution adopted and the semblance of work ensured.

Thus the present meeting once again convincingly revealed that no haste should be shown at the Motordetal Plant in changing the existing order. Here specific work is being replaced by empty discussions of restructuring and all possible statutes and instructions, which in the absence of daily organizational work with the personnel and the enlistment of their aid in solving urgent problems, is producing no results whatsoever. The leader of a brigade of furnace operators, A. Platonov, stated the situation quite correctly:

"We are merely talking about restructuring. And nobody wishes to advance its concept."

The conclusion which we reached was a simple one: given the present attitude of the leaders at the Motordetal Plant, the wait for restructuring to occur at the plant will be a long one. It is simply impossible. Radical changes cannot be realized if the existing situation is not subjected to a thorough and critical analysis, if long obsolete methods are not rejected or if initiative is not developed at the lower levels.

Thus the "roundtable" revealed the following: in essence, we are involved with two models of cost accounting and two variants of restructuring. The

Kharkov workers are boldly employing both components of the radical economic reform— cost accounting and democratization of the collective. They are reinforcing stimulation by means of the ruble with an expansion in the rights of a collective and with shifting real authority "downwards." The Kostroma workers require emasculated cost accounting, the roots of which are not associated with the broad layers of workers. That is, a type which is easier to employ with the existing command-order system and which does not shake up its foundations.

The first variant is a working one. It stimulates initiative in personnel and it raises their interest in work. In the final analysis, it leads a collective towards stable economic growth. The second variant is an abortive one. It is doomed to inaction and to waste. It only aggravates the dependence of a collective upon circumstances. It reduces the Kostroma workers to playing the role of petitioners. Parasitism becomes stronger in a collective. But the worst eventuality of the Kostroma variant is the fact that in the final analysis it serves as an objective basis for strengthening the bureaucratic style of management. Parasitism and democracy are two incompatible concepts. Complete antipodes. This must be recognized— by the workers, directors, party secretaries and by the trade union leaders.

"The parasitic position is becoming simply intolerable under the conditions of democratization" stated M.S. Gorbachev during a meeting with the collective of the First State Bearing Plant, "From whence it comes is understandable. In the past, not all leading personnel were required to consult with their personnel. Many decisions were made in offices. And hence the personnel reacted with indifference and nonchalance. We must live differently and we can live differently!"

This was said regarding the Kostroma workers.

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Computers' Help in Gospriyemka Described
18200199 Minsk NARODNOYE KHOZYAYSTVO
BELORUSII in Russian Mar 88p 17

[Article by N. Belkovich: 'Computers and Gospriyemka']

[Text]Recent introduction of modern electronics systems helps to decide more effectively questions of lead-in, storage and processing information, which is available to representatives of Gospriyemka for the Gomselmash production association. It consists of two personal computers 'Robotron-1715', it has a considerable operating memory and printing system with a speed of 100 characters per second, four aspects of type and a screen display.

Originally the computer technology handled fulfillment of two problems - to carry out the operative calculation through the course of product inspection speed and calculation of defects uncovered by representatives of Gospriyemka in parts and machines. In a short time with help, the computer will carry out calculations and control execution measures for improving the quality of produced products analysis of deviation from documents based on technical data, analysis and calculation inspection of components and assemblies according to the list of compulsory control.

Automatization of exploitation for deepening analysis of product quality also receives development both at the production stage and at the time for actual operation. For this, personal computers store data of results of tested combines at MIS, noticing technical operations, inventory, and complaints.

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REGIONAL DEVELOPMENT

Estonia: Republic Khozraschet Discussed

Basic Principles Outlined
Tallinn SOVETSKAYA ESTONIYA in Russian
24 Feb 88 p 2

Article by Arno Kyeerna: "Republic Cost Accounting: Wishes and Reality"]

[Text] When passions cool, reason comes into its own. Time is a strict judge. The popular wisdom of the Estonians has stood by this since ancient times. You cannot draw far-reaching conclusions from superficial phenomena, the more so if you want to have scientifically sound conclusions.

This in no way excludes new and original ideas and thoughts. Without them there is no advance.

The above also applies to the idea of republic cost accounting. It is high time that it were organized. The basis of present-day economic policy is the principle of cost accounting, by which all expenditures should be covered by income and even additions to this. This principle operates at any level of a rationally organized society, starting with the family right up through the entire nation.

Use of the principles of cost accounting on a large scale is only just beginning. We are still a long way from full cost accounting. The law on enterprises is crumpled in a quite dense net of regulations, normativs and so forth. Notwithstanding, compared with the past we are able to talk about fuller cost accounting. Thus, the seeds have been sown for a fruitful harvest.

In its present form the economic reform has outlined the principles for territorial economic work, combining sector and territorial management, and regulating the relationships between centralization and decentralization; true, in specific matters it is still more cautious and modest than in relation to individual enterprises and sectors of the economy.

Obviously the territorial aspect of the economic reform has still been inadequately developed. Most attention has been focused on deepening the cost-accounting mechanism for the activity of production enterprises and on work on the foundations of decentralization in their management. The basis for these conclusions are the latest decisions adopted that develop and extend the principles of cost accounting to new areas (such as scientific establishments and enterprises in the "nonproduction" sphere). The all-union commission on improving management, planning and the economic mechanism still has to discuss the question of cost accounting at the levels of the union republics and the krais and oblasts. Many scientific establishments in the USSR are now working on the problems of regional development and management. Estonian economists and community specialists are included in this work on a broad front.

The idea has been postulated and discussed and deemed important. So what next? Now it is essential to move on from the emotions and daydreams to the reality. To separate the wheat from the chaff. To define the strategy and tactics for long-term and immediate action. To give precise form to the concept of republic cost accounting.

It is precisely this that I shall attempt to do, true in a still fragmented and schematic way, restricting myself only to the cost-accounting aspect since essentially the problem needs a entire research treatise.

The boundary conditions for the concept are socialism and the unified national economic complex of the USSR. To ignore these in our further approach to the discussion is fruitless. The leader of perestroika, M.S. Gorbachev, says the following: "Whatever we are already doing and whatever we plan and propose must strengthen socialism." The motto for the transformation must be the words "More Socialism, More Democracy."

There is more: the goal of radical economic reform is dynamic development of the scientific and technical and economic potentials of regions, and "increasing the contribution made by each republic to development of the country's unified national economic complex."

The actual frameworks of the concept are the following conditions:

—money-exchange relationships;

—planned control of the market with the aid of economic competition and contest;

—economic management through economic methods;

—democratization of public life through the development of self-management for the republic and the labor collectives;

—activation of the potential of the individual and placing the individual at the center of the new system of economics and management.

The goal of cost accounting is to improve economic efficiency, that is, improve the relationship between national income and resources spent to produce it, given that the material and spiritual well-being of the people will grow proportional to this.

How and in what kind of time frame can this goal be reached? Much depends on meeting the conditions listed above. Economic autonomy is not the same as cultural autonomy. It is possible to subordinate all-union and union-republic enterprises to the republic and make independent decisions about the use of resources but as part of a unified all-union state it is not possible to introduce our own financial-and-credit system and prices or close the border against the movement of capital and goods. In today's world it is impossible to do this even if you are not part of an all-union state. In this article there is simply no space to describe, for example, the unification of EEC economic policy. During the postwar period, of all the European states only Albania has preserved its economic isolation, at the cost of economic backwardness. But life has forced even it to abandon this policy.

As a rule the smaller the state the more closely it is bound up with large economic systems, and only a few, Finland for example, have succeeded in building their own economic policy on a favorable foreign policy neighborliness resulting from geographical considerations.

Consequently, first the concept of republic cost accounting can be realized only in the context of economic reform. Everything we do that is good for the reform is also good for republic cost accounting. Second, taking this circumstance into account, the concept should focus attention on devising a system that defines the relationship between the republic and central authorities.

Schematically it is possible here to employ the following principles. The national income generated within the republic belongs to the population of the republic and is used in its interests.

If we try now to obtain a reliable picture of the relationship between production and distribution of national income in the republics we shall be far from the reality since we must operate using prices many of which are not justified economically. The money reckoning for commodity turnover between the republics does not provide

a true idea of who is importing and exporting how much. The bookkeeping for the movement of national income is so complicated that the ordinary economist cannot orient himself in it.

This is just one example of the difficulties that people encounter when they set about drawing up specific proposals for republic cost accounting. Of course, they can be overcome but this requires enormous labor, if we can call the reform of, say, all prices, such labor.

Part of the national income produced is distributed and redistributed in monetary form within the republic, including through the budget. The existing procedure for forming the republic budget on the base method must be replaced with a corresponding financial-and-economic mechanism. During the first stage this can be done with the aid of long-term, stable norms through the all-union budget (deductions from profits, taxes on resources and commodity circulation and so forth). During the second stage the budget is formed locally by deductions from the national income produced, similar to the norms in the all-union budget.

Since we are part of a unified all-union state we are obliged to make deductions from national income for all-union expenditures on defense, social security, reserve funds and so forth.

Part of the national income in material form goes for exchange with other all-union republics and foreign countries in the form of barter. Here too, what is required is stage-by-stage transformation. Time is needed to transform the present deficit economy and create a normal commodity market in which supply and demand will be balanced. Two roads lead to this kind of market. The first is to expand production so as to fill the market with the goods required. To do this it is necessary to build up production capacities, additionally organizing small and medium-sized and cooperative enterprises, developing individual labor activity, and expanding barter with other republics and foreign countries. There is no intention of producing absolutely everything locally. About half of the value of the net product could go for barter. In any case, barter combined with the republic's own production capacities should be capable of creating competition in the domestic market. Without this the consumer will be powerless against the producers.

The second road is price regulation. Using this, supply and demand are balanced in the event that this cannot be achieved by the material road.

Thus, the present administrative regulation of the movement of material values from the republics to the center and from the center to the republics can in principle be replaced with an equivalent market barter (all-union, republic). According to the logic of the economic reform, this kind of course of events is ineluctable. It must entail the abandonment of administrative regulation of the

market and funded distribution otherwise the market mechanism will not bring supply and demand into balance and will not rid us of the diktat of the producer.

Hence, within the framework of the unified national economic complex it is necessary to create a unified market on the basis of equivalent barter. This will enable normal supplies for the entire population on the principle of equality. Each region specializing in the production of a specific product will have the opportunity for useful exchange of its own product for other products required. This will help in the distribution of labor in an economically rational way in the country and will also enhance the responsibility of the population in each region for self-provision.

Given these conditions the central organs are freed up from their distribution function. There is less need to concentrate at the center a certain number of commodity resources from all republics and economic regions while creating the so-called all-union funds, and then to distribute them according to administrative procedure; this work will be assumed by the market itself, which will bring order to things without a deluge of paper. No one, not even the most experienced official, can effect this kind of redistribution in a more skillful way, taking into account the specific regions of the country, and historical, traditional, geographical, national, religious and other features.

A unified republic market can be created using the same principle, abandoning administrative redistribution of commodity stocks from Tallinn for other cities and regions in Estonia. This will encourage the initiative of each city and rayon and enhance the responsibility of the local organs of power for supplying the local population.

One positive result of the operation of the mechanism described above will be true integration of the economies of the union republics on the basis of a rational division of labor. The economy of the all-union republic will be specialized without subjective administrative regulation, the development of production forces will be accelerated, and real opportunities will emerge for it to realize its own rights and obligations, as, for example, in satisfying consumer demand in the republic for goods and user-fee services. Ultimately the economy in each all-union republic will become more efficient and proportional, taking into account all the diversity of their own opportunities.

An all-union and republic market without the monopoly diktat of the producers is inevitable, and will help to insure the rights of enterprises and their independence as envisaged in the Law on the Enterprise. The argument against abandonment of administrative bureaucratic rule in the market is the shortage of goods. The only solution to shortages is a rationing system for distribution, of which particular forms are operating here. Notwithstanding, overcoming the shortages will permit only their antithesis, namely, an unfunded market that will

encourage economic competition between enterprises and create conditions for competition in the development of cooperatives and individual labor activity and stimulate the production precisely of those commodities that enjoy demand and are of appropriate quality.

In the sense of its realization, this proposal must be related to the long term. But science has the ability to predict. The CPSU Central Committee sets for science the task of providing predictions for the upcoming changes, and of developing on prediction projects and working blueprints for perestroika.

The concept of republic cost accounting should include short-term and long-term development goals and specify the means for achieving what is planned. The following should be regarded as priority short-term tasks:

- improving supplies of products and consumer goods enjoying broad demand;
- administrative regulation of migration processes;
- introducing stable norms for forming the republic budget and regulating material relations between republic and all-union central organs;
- switching some enterprises of all-union subordination to produce consumer goods for local needs and to manufacture equipment giving due consideration to specific republic conditions;
- creating an autonomous management system that does not duplicate the all-union system.

Additions can be made to the list; the above offers merely illustrative schemes.

Long-term tasks should obviously include the following:

- decisively rejecting an extensive development strategy and switching to an intensive strategy;
- eliminating disproportions in the republic economy primarily through preferential development of the so-called nonproduction sphere;
- reorganizing the structure of industry on the basis of a rational division of labor both within the system of the all-union market and the world market. The structure of industry should be oriented on accelerated development of the information sphere, the latest technologies, and hi-tech products that are competitive in the world market and enhance the export potential;
- technical reconstruction of the national economy.

We note that this is the most complicated and longest-term task. We shall not make our products competitive in the world market and we shall not saturate the domestic market with high-quality and up-to-date goods

if we produce them using existing, obsolete equipment and outdated technologies. More than 40 percent of the equipment in our industry is 10 years old or more. The new generation of equipment in the world is now 7 to 9 years old, and in some places even newer.

In our opinion, this factor is central and it determines our real advance. Nothing can be done in just one or two years. According to optimistic assessments, a minimum of 5 to 10 years will be needed.

The switch to convertible currency can be effected only after this. No one is interested in a currency if it is not backed up with commodities produced using the latest technologies. If the proportion of foreign trade is only a few percent of gross output then all we can do is dream of a convertible currency. Hungary, where the proportion of foreign trade is 40 percent, can consider this as a realistic task.

The time periods mentioned above can be shortened by attracting foreign advanced technology and experience into our economy and setting up joint-venture enterprises with foreign firms. The more energetically we act the sooner we shall eliminate our technical and economic backwardness behind the developed countries.

The prevention of crisis situations in the republic ecology should also be numbered among the long-term tasks. The decisionmaking strategy should obviously be aimed not at rejecting the exploitation of nature, although in some cases this should be considered, but at seeking out the kind of technologies that prevent further environmental pollution.

There are also other long-term tasks that must be included in the concept of cost accounting.

I suggest that we cannot create an entire program for republic cost accounting in just a few days. The distance between the idea and specific proposals underpinned by economic files is great.

The question is still to make the concept permeate to all levels and spheres. Cost-accounting elements can also be applied to regulate internal republic economic relations. While adjusting relations at the republic and all-union levels, cost accounting must not absolutize them by transforming them into opposites. That is how it is here. But it is essential to act precisely within the framework of a unified cost-accounting concept for the republic, for the all-union trend of centralization can also be seen within the republic. Problems of the location of production facilities, development of the infrastructure, and problems of settlements and rayons are now considered and resolved "through the prism" of the republic capital. Therefore, as the studies of R. Erlikh (the Institute of Economics) have shown, we have unjustifiably big regional differences in socioeconomic development. We have found republic and rayon and outlying districts with serious shortages of essential services. In the rural

settlements in the republic 30 percent of schools, 20 percent of libraries and 15 percent of clubs and medical centers were built during the last century.

The potential of the local soviets on the territory entrusted to them, in the sense of socioeconomic management, is for the most part not being used since they are not underpinned in the material sense. The material base for the soviets must be created with the aid of local industry, personal services, budget allocations and construction capacities that should be subordinated to the soviet and at its disposal. The municipal services, personal services, and social and cultural services should be under the direction of the local soviets; in short, a local economic development fund should be set up. It should be augmented with deductions from enterprise profits and taxes imposed on production resources and commodity circulation.

The deputies of city, rayon and rural soviets should have the opportunity not only to discuss decisions coming down from above but also themselves to make decisions on vital issues in their own region.

With the 13th Five-Year Plan a unified fund for socioeconomic development will be set up in the republic, and this will create the prerequisites for better coordinated socioeconomic development and for equalizing development in the various regions. We should be starting to prepare for this right now by making evaluations of the levels of development regionally and drawing up sound programs for their long-term development giving due consideration to all available resources.

In order to determine correctly the proportions and goals in the development of the administrative subdivisions it is necessary to draw up long-term territorial plans and lists of the main projects for capital investments, to be used now as the basis for ironing out the final details of the annual plans for the next five-year plan. Naturally, this kind of work should be done by the local soviets of people's deputies.

The problem of the regional location of production facilities is just as urgent for us. An economic mechanism to resolve this must also be devised within the framework of the cost-accounting concept. We have many production facilities over which the local soviets have virtually no authority. According to figures from E. Sepp, an associate at the Institute of Economics, 107 individual production facilities are located at 31 populated points. Of these, only 15 percent are independent enterprises. They could operate as small enterprises and cooperatives providing services for the local population. Now, however, they are divisions or branches of large enterprises and the sources of a much socioeconomic lack of coordination at the local level.

As a rule the head enterprises are not involved in the formation of the social sphere at the populated points where their daughter enterprises are located.

The planning organizations and scientific establishments have been working for decades on plans for the development of populated points, but the practical results of their efforts are still meager.

The concentration of industry still continues in the northwest and northeast of Estonia, mainly in the large cities. Unfortunately, there is still no official concept for the development of small cities, which should be the basis for their long-term development.

The system of management and economic links between the center and the local level is extremely complex. Territorial dispersion is hampering work and providing no positive effect. At least in light industry the present specialized shops should become more flexible, profitable small enterprises. Some 16 percent of industry is the small cities is now subordinate to Tallinn.

Thus, the territorial organization of industry in the republic requires rational restructuring. The location of industry and the sizes of enterprises are the result largely of the historically fragmented production base which in some places they are still trying to preserve at any price.

The time has come to examine the old principles and bring small and medium-sized enterprises into a more flexible industrial structure that satisfies local needs; it is necessary to create cooperative forms to produce goods and services.

This, then, is a brief description of the range of problems in cost accounting. Detailed work requires serious efforts if we really want to do something for the well-being of the people. Things cannot be put into motion with emotion, even though we can explain psychologically the foolish rapture caused by the fresh grass after the long winter spent in the stalls.

With regard to the overall economic reform, even the most zealous reformers must willy-nilly take account of its logic. Here, good intentions are not enough. The Chinese started an economic reform in 1979 and with considerably more nimbleness than us. But even now, 9 years later, they recognize that more time than was at first thought will be needed to create the framework for a new economic system.

The Hungarians started a large-scale, radical reform in 1968, that is, 20 years ago, and while they have perfected the ideas they have still not found satisfactory solutions.

Here is an historical excursion rather than an analogue: in the provinces of Estland a peasant reform was proclaimed in 1816. It was only in 1831 that the 14-year transition period ended. And even after that, numerous restrictions remained in force for a long time. In tsarist Russia a halfway reform preceded revolution.

Reforms require much time, and in contrast to revolutions nothing happens immediately. The new and the old economic links and forms and the reformers and conservatives live quietly together, side by side. The occasional skirmishes between them flare up and then subside. Neither side retreats from its positions. And what state is not pleased with domestic tranquillity and political stability? This does not mean that it is necessary to slow down republic cost accounting. The economists welcome the birth of new constructive ideas from any representatives of the various specialties, including the exact sciences. Physicians were not offended when they heard the complaints of the colonel's widow saying that they knew nothing. And we economists should not be offended by such complaints. We boldly give advice where we are ignorant...

I believe that boldness and fresh thinking have not engaged the collective of scholars that set about preparing the experiment in territorial economic reform.

Economics is a battlefield on which the fate of perestroika is being decided. Conservatism and sluggishness and dashing from one side to the other in effecting the reform work against socialism. Lenin, who led the people to one bold reform (the New Economic Policy) wrote about his experience: "...In public life the greatest leap forward is combined with the monster of timidity in the face of the smallest changes."

The present reform is irreversible. There may be deviations but the wheel of history cannot be turned back.

Republic Official Interviewed

18200160b Tallinn SOVETSKAYA ESTONIYA in
Russian 17 Apr 88 pp 6-7

Interview with E. Savisaar, candidate of philosophical sciences, by Ya. Tolstikov: Republic Cost Accounting: a Remote Prospect or a Reality?"; initial boldface paragraphs are editorial introduction]

[Text] The question of the possibility of switching the Estonian SSR to regional cost accounting is being debated on the newspapers and on radio and television in the republic. It started with a statement on the subject in the Tartu city newspaper EDAZI on 26 September 1987. Our newspaper has also been giving attention to this issue. Thus, on 4 December 1986 we published an article by candidate of economic sciences V. Paulman entitled "Measure It Seven Times. On Responsibility for the Fate of Perestroika." The same subject was dealt with in an article by Academician Arno Kyeyerna ("Republic Cost Accounting: Wishes and Reality," SOVETSKAYA ESTONIYA 24 February 1988). Other pieces have also been published. In these, however, the content of the initial article in EDAZI, which was written by Siym Kallas, Tiyt Made, Edgar Savisaar and Mikko Titma, was only briefly retold; it was in the main commented upon and subjected to critical analysis.

Thus, elucidation of the question has been one-sided, and for the Russian-speaking reader not familiar with the original source the idea of republic cost accounting was not made properly clear, and this has evoked bewildered questions: what is it all for? and why? and so forth.

To fill the gap, we are publishing an interview given to our newspaper by one of the sponsors of the idea of regional cost accounting, Edgar Savisaar. Until recently he was working as a section chief in the Estonian SSR Gosplan Long-Term Planning Section, and since 1 April candidate of philosophical sciences E. Savisaar has been the deputy director for scientific work in the "Maynor" planning and design office of the republic Ministry of Light Industry. As before, the subject of republic cost accounting is his direct concern.

[Question] Can you give us a little of the prehistory: how was the idea born, what served as the stimulus?

[Answer] I can answer that question quite precisely. The idea was prompted by material from the CPSU Central Committee June (1987) Plenum. M.S. Gorbachev's speech at the plenum provided the creative impulse in the full sense of the word. As is known, at the plenum the statement "On Party Tasks in the Radical Restructuring of Economic Management" was presented. The plenum emphasized in particular that the full accomplishment of radical reform is inconceivable if local possibilities and initiatives are not brought into play, and that cardinal measures are also needed to resolve the territorial aspect of management.

In those months (it was already in the latter half of 1987) we formed a group made up, in addition to the four authors of the article in EDAZI already mentioned, namely RAKHVA KHYAEL journalist S. Kallas, candidate of economic sciences T. Made, myself, then working in Gosplan, and doctor of philosophy M. Titma, of candidates of economic sciences P. Kross, Ya. Leymann, I. Proos and I. Payg.

[Question] Eight people, a whole brigade; and was there a leader?

[Answer] No, we worked in a friendly fashion, no one made demands on anyone else, everything was done on a public basis, and there was no need to have a leader from among the group.

[Question] I understand. It is common knowledge, however, that on the basis of the decisions of the CPSU Central Committee June Plenum an entire package of party and government decrees was adopted, aimed at radical improvement in economic management. No direct mention of regional cost accounting is made in those decrees. Perhaps your proposals are something for the future? Are you not rushing on and outstripping events?

[Answer] I think not. Scientific thinking functions uninterruptedly, calling us to move ahead and accelerate the rate of that movement. And if our proposals cannot be put fully into effect at this stage, they may become a reality in the years immediately ahead. Perestroika is a living thing. And we must already be preparing the soil for a sharp dash forward, which will perhaps occur tomorrow.

[Question] Well now, what is the essential nature of full cost accounting as applied to a region, or more specifically, to a republic like ours? In recent times we have been dealing directly with cost accounting for enterprises and even for entire sectors, but now, regional, republic cost accounting...

[Answer] Remember that in general cost accounting is commensurability of expenditures to produce output against the results of economic activity, reimbursement of expenditures incurred by enterprises and organization from their own incomes, and insuring profitability. Cost accounting is material interest in and also responsibility for the results of one's own labor. In short, spend on your own needs only what you have earned. No outside help. And no outside interference; everything earned is spent at one's own discretion. This principle, and of course, I present it here in its simplest form, can be applied not only to an enterprise or even a sector, but to a whole region, in our case, the republic.

[Question] And here, obviously, a simplified approach is simply impossible. The national economy of even a relatively small republic like ours is a complex economic mechanism and all its sectors are bound very closely together within the region and undoubtedly with the country overall. Is cost accounting possible in principle within the framework of a region? And what is the essential nature of territorial cost accounting as you understand it?

[Answer] In principle we are convinced that cost accounting within the framework of a region is not only possible but even desirable. Let me try to explain.

Under the conditions of cost accounting the republic must be fully responsible for economic development in the region, and to this end the entire economic potential located on the territory of the Estonian SSR, including enterprises now subordinated to the all-union ministries and departments, are transferred to its jurisdiction. It is common knowledge that the history of the Soviet economy includes not only sector but also predominantly territorial management. The latter has manifestly been inadequately studied. For under the conditions existing in the Estonian SSR, the national economic council for the 8 years through 1965 produced tangible positive results. The 1965 reform led to the restoration of the sector principle in management, and it was suggested at that time that it was precisely that principle that would insure the development of scientific and technical progress. Subsequent events, however, revealed obvious

defects. It was precisely the departmental structure that turned out to be the real brake on the scientific and technical revolution and the country's social development as a whole. On the basis of the decisions of the 27th CPSU Congress a course was set toward intensifying the role of the territorial organs in the socioeconomic development of any given region. The republic has already been using its right here, and successfully: we transferred to a new wages system on a territorial basis. From 1988 the republic agro-industrial complex is switching completely to cost accounting. Here in the republic we have created a unified territorial organ to manage the entire industrial-construction complex, from project planning and production of the necessary materials and parts to the construction of buildings for both industrial and civic use. What I have in mind is the Estonian SSR Gosstroy. This all leads logically to the idea of the advisability of further extending territorial management of the economy.

[Question] There are many machine-building and instrument-building enterprises of all-union subordination on the territory of the republic, and also railroad and maritime transport facilities. What will happen to them? When they come under the jurisdiction of the republic council of ministers or become part of an industrial (or transport) committee of the Estonian SSR, will they carry out the same functions as now, namely, producing for the country (and the republic) the output needed and carrying freight and passengers? Will not established links be broken and their potential lowered?

[Answer] It is impossible to imagine a region as some kind of closed natural economy. And of course, all enterprises will continue to operate normally. But we think that over time the proportion of state orders in their plans will decline to, say 20 percent or less. And this will be the proportion needed to produce output that is of strategic importance for the country.

And now we come to the basis of the transformations that we have proposed. After the pricing reform has been put into effect in the country (and, as is known, this is planned for the end of the current five-year plan), that is, after prices have been brought to the true value of given products or goods and the transfer made to money-exchange relationships (which it will be impossible to do without price reform), the Estonian SSR could become the first region of the country in which a socialist market will be fully operating. What is the situation now? All output is distributed between regions according to funds. Estonia, say, delivers to other regions in line with funds or limits, meat and dairy produce and other products and in exchange, also in line with the funds, receives the necessary metal, cotton, petroleum products, salt, that is, whatever it does not produce or recover for itself within the region. The role of money in this situation is obviously depreciated. What we propose is the following: sell, and likewise buy, in other regions (without any kinds of funds and limits, of course) only what it is economically advantageous for us to sell and buy. For example, the

republic population's demand for meat has been satisfied and all that remains is sold, acquiring in exchange metal or cotton and so forth. Machine-building, instrument-building and other enterprises will also start to produce output that enjoys demand both within the republic and within the country, guaranteeing high quality as they do so. If there is no demand then not only will the given enterprise go bankrupt but the republic will also suffer overall as a unified economic organism.

[Question] But even now, in principle any of our enterprises produce only what the market requires—domestic and also foreign.

[Answer] That is so, but often it is only on paper. How many products, alas! find no demand and sit in warehouses, swelling the already enormous above-normative stocks. And how many faulty products go to the consumer, who in practice has no real rights to act against the producer. Changing a faulty television set, for example, is quite a problem.

[Question] You sell, you buy what is more advantageous. This is understandable. But what of the interrelationships in the country's budget? For there are items of expenditure such as defense that are handled by all-union programs, and for power engineering, space research and so forth. How are these interrelationships built up?

[Answer] By using stable norms set for the five-year plan. And the republic will act in this case as a unified national economic complex and pay off its obligations with the assets produced, including assets in convertible currency.

[Question] Is it possible to provide more details on this last thought. How would the republic be able to increase its foreign exchange revenue?

[Answer] Taking into account Estonia's unique geographical position and its proximity to Finland and the countries of northern Europe, and taking into account the historical experience and our links with neighboring states, it would be expedient within the framework of the all-union division of labor to orient the republic on a sharp expansion of export deliveries. The Estonian SSR could become one of the country's leading regions dealing in the international market as a unified whole. Under the conditions of radical reform we are in extreme need of this kind of experience.

[Question] What specifically would have to be done for this? The setting up of joint venture enterprises with Western firms is going on everywhere, and we also have them in Estonia. Many major industrial enterprises and entire sectors have been given the right to deal independently in the foreign market. The "Estimpeks" foreign trade organization has been set up in the republic; and so forth.

[Answer] This is all fine. But the barriers that have to be overcome in order, say, to set up a joint venture Soviet-Finnish production facility are common knowledge, and thus we have already been put off concluding mutually advantageous deals with other Western partners. Giving due consideration to the initial experience, in our view we must rather move more boldly than at present in involving foreign capital in development of the republic's economy, and in removing the bureaucratic, financial and other barriers, including psychological barriers. We must achieve a sharp expansion of exports and over time handle accounts with foreign partners on the basis of a freely convertible ruble. Our economists are already grappling with this task. In short, the experience gained in the region would be invaluable for the country as a whole.

[Question] The words "cost accounting" were at one time uttered as an incantation. But what can cost accounting give as applied to a region or the republic?

[Answer] First it instills in each of us a sense of being the master not only of the enterprise at which we work but also of the republic in which we live. For what we ourselves have made remains at our own disposal, and what is important is just to deal skillfully with the wealth acquired; these are questions that must obviously be resolved by the republic Supreme Soviet. And the result of skillful management is improvement in the workers' living standard. And for everyone who lives on a given territory, regardless of national affiliation, and so forth.

[Question] It is sometimes said that cost accounting can also bring the reverse—a decline in the living standard. State subsidies are eliminated and prices rise. The wage reform has revealed many imperfections in this important social sphere... The price reform draws near.

[Answer] I think that we cannot exclude a certain decline in the living standard during the transition to republic cost accounting. However, this may occur only for a limited circle of people, first and foremost those for whose labor extraordinarily high wages have been paid that do not adequately reflect the results of labor. To make up for this, the lives of people who cope well with their work will undoubtedly improve under the new conditions. Moreover, the contradictions in the relationships between the various national groups living on the territory of the republic will be transformed under the new conditions into contradictions between those who work well and those who are accustomed to laziness, regardless of national affiliation. As a result there will be broader integration of people living on Estonia's territory on the basis of socioeconomic cooperation and a deepening of the processes of internationalization.

[Question] The following statement can also be heard: by striving to achieve full cost accounting for its own republic Estonia is thus, they say, to separate itself economically from the other regions of the country. What can you say about this?

[Answer] I have already partly answered this question earlier. The experience of one republic could help in effecting regional cost accounting on a larger scale—in the krays and oblasts of the RSFSR and other republics of the USSR. So our proposals are aimed not at isolation but at closer cooperation with the various regions of the country, and on a basis of equality; we emphasize this particularly. For cost accounting eliminates existence at someone else's expense. Mutual assistance yes, but not dependency. I am convinced that full regional cost accounting started in the Estonian SSR, based on serious reinforcement of the territorial principles of management, will become dominant for the country's entire territory. Ultimately all the nations will gain from this, and as a result the friendship of the peoples will be strengthened and the union of nations become even more cohesive. I mention incidentally that there are increasing numbers of people who think as we do—in Lithuania and the Ukraine. On 26 July 1987 doctor of economic sciences E. Mikhaylov published in the newspaper MOSKOVSKAYA PRAVDA a major article in which he analyzed the opportunities for switching Moscow city to full cost accounting and self-financing. In many respects E. Mikhaylov's ideas are similar to our proposals, although the emphasis is different in some ways. It is possible that new proposals are being developed or already in existence in other regions.

[Question] Nevertheless, some economists in the republic have given your proposals a hostile reception, as they say. What, in your opinion, is the reason for this?

[Answer] I think that this kind of negative reaction is evoked through lack of understanding of what is proposed, and partly from the radical nature of our ideas. There is nothing surprising in this. Human thinking is conservative and at other times we have immediately rejected a bold proposal as utopian and unrealistic. And only much later did it turn out that it was precisely this "unrealistic" proposal that was the most promising and fruitful.

It is, however, difficult to understand the thinking of those who are looking for some kind of ideological dirty

trick in our proposals. They start, they say, with economic separation and then who knows... This kind of thing can emerge only in the brains of those who are permeated with the stereotypes and suspicions of the recent past, who have not rid themselves of the administrative-command way of thinking. In a PRAVDA article of 6 April this year entitled "Principles of Perestroika: the Revolutionary Nature of Thinking and Acting" it was accurately noted that some conservatively inclined officials acting to "save" socialism are trying, to the detriment of the cause of perestroika, to preserve authoritarian methods and the practice of unconcerned execution and the suppression of initiative.

[Question] What specifically is being done now in the republic to implement your ideas?

[Answer] Discussion of the proposals continues in public circles and among scholars. At the Estonian SSR Academy of Sciences Institute of Economics an interim scientific collective has been set up to deal with questions of improving regional management and the economic mechanism. Independent initiative groups of scholars engaged in work on the concept of territorial cost accounting have been set up under the Tartu State University, at the "Maynor" planning and design office and at the Institute of Advanced Training for National Economic Leaders and Specialists. And so the idea is alive and developing. I would add that at a recent plenum of the Estonian SSR Union of Journalists it was decided to set up a special section to be called "The Forum," which will handle information for the public about the course of work on the concept of republic cost accounting. In the next few days a debating club will open in Tallinn to discuss questions of territorial cost accounting. Its first meeting will take place, in Estonian, at 1700 hours on 18 April in the hall of the Institute of Advanced Training (No 21 Syutiste Street), and at 1800 hours on 19 April in Russian. I would like to use this occasion to invite SOVETSKAYA ESTONIYA readers to this club. I hope that through our joint efforts we shall come closer to a solution to this extremely important long-term problem.

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AGRO-ECONOMICS, POLICY, ORGANIZATION

Problems in Support for Private Production Efforts

Problems in Subsidiary Enterprises of Belorussian SSR

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3 Apr 88 p 2

[Article by O. Koren, director of the subdivision on the development of the private plots of citizens and subsidiary trades of the Belorussian SSR Gosagroprom [State Agro-Industrial Association]: "The Plant at the Edge of the Field/ The APK [Agro-Industrial Complex]: Reserves in Subsidiary Production"]

[Text] As our republic's experience has shown, the organization of subsidiary enterprises and trades is a dependable guarantee of growth and stability in the economies of kolkhozes and sovkhozes; in addition such enterprises enable us to utilize labor resources better.

Zarya Kolkhoz of Baranovichskiy Rayon can serve as an example of the more successful coordination of the subsidiary enterprise and the development of agricultural production. At the canning factory here 500 tons of fruit, 400 of vegetables and 300 of brown mushroom juice are processed each year. Each day the meat shop receives and processes about 4 tons of meat. Each year over 3 million standard cans of fruits and vegetables of over 20 different types are produced and of these over 70 percent consists of mushrooms and vegetable-mushroom items.

Here are other examples. The processing of apples alone in Kolkhoz imeni Kuybyshev of Slutskiy Rayon adds 280,000-300,000 rubles to accounts. A similar income is obtained each year from the subsidiary enterprises in Leninskiy Put Kolkhoz of the same rayon. At the present time a total of over 30 enterprises in the republic are involved in the processing of agricultural and wild raw materials.

In the republic's enterprises shops dealing with the currying of leather and sheepskins and with the sewing of winter clothes from them are operating successfully. Here losses of leather raw materials have been reduced to a minimum.

Collectives that produce articles using local non-agricultural raw materials also have a good future. Thus, Novyy Svet Kolkhoz of Kopylskiy Rayon acquired an old brick factory. There is enough brick produced here to sell as well as to meet the kolkhoz's needs. The profitability of the enterprise equalled 64 percent last year.

This same enterprise has organized a shop for the manufacture of panelboard wooden houses of the farmstead type. Packing crates are made using wood waste products. Incidentally, there are already 83 such shops operating in the republic today.

In recent years subsidiary enterprises operating in cooperation with industrial enterprises have been developed. Their experience attests to the very positive effect they have on the economy of the enterprise.

A subsidiary shop for the production of consumer goods made from plastics has already been in operation for 5 years in Kolkhoz imeni Kalinin of Ostrovetskiy Rayon. Nine perfume-cosmetics factories in the country buy its products. A total of 188 persons work here. In the course of 5 years of work net income from product sales equalled 4,674,000 rubles, of which 3 million were utilized for the development of agricultural production, for the building of social and cultural objects and for the repayment of credit. With all of this the workers of the subsidiary shop participate actively in all types of agricultural operations; they are responsible for 17 hectares of feed beets.

In Mayak Kolkhoz of Oshmyanskiy Rayon seven types of plates and various parts for tape recorders are manufactured. In 1983 an additional section was opened for the sewing of special clothing. A total of 110 people are involved in the kolkhoz's subsidiary enterprises. A kolkhoz that lagged behind in the past has been transformed into an economically-strong enterprise. In 1986 clear income equalled over one million rubles. Without drawing in manpower from the side the enterprise fulfills all agricultural operations in the best possible agrotechnical time. Incidentally, most of the shop's workers are people who have returned to the village from the city. The availability of subsidiary production has provided the opportunity to develop interesting professions and to secure young people. In Mayak Kolkhoz now there are 150 workers of komsomol age. There are now two machine operators for each tire tractor and the cadres of livestock farmers have stabilized. The development of youth collectives for subsidiary production has enabled party, trade union and komsomol organizations to carry out more purposeful work to secure cadres in other branches as well. A good collective of amateur artists and an agitation brigade have been created and sports sections have been organized. Shop workers have been given the opportunity to master the professions of tractor operator, driver and others. Young families are involved in private plots and raise cattle and poultry.

Income from the operation of subsidiary enterprises enables enterprises to be better involved in building. Each year the kolkhoz assimilates about a half million rubles through its own efforts. In recent years four pigpens, two birthing facilities, a potato-sorting point, two grain storage facilities and a House of Livestock

Farmers with all amenities have been built and all facilities for maintaining cattle have been renovated. The streets of the central village of Krakovka have been transformed.

All of these examples attest to the fact that the development of subsidiary enterprises and trades is an objective necessity that enables us to successfully deal with a number of problems in the village.

But with all the advantages of this system many directors and specialists underestimate subsidiary enterprises. The creation and development of works and trades is progressing extremely slowly. Only 11 percent of enterprises have shops that manufacture commodity articles, and in Mogilev and Vitebsk oblasts there are even fewer. There are not even plans to begin subsidiary shops in Zhabinkovskiy, Dubrovenskii, Tolochinskii, Rossonskii and several other rayons.

Many canning, brick, timber processing and other works are in need of renovation and modernization and in improvements in the supply of equipment and materials. Planning and distribution of material-technical resources and fuel are often implemented without a consideration of the needs of subsidiaries. Inadequate work is being carried out with regard to redesigning enterprises that previously produced alcoholic beverages.

Experience involving processing agricultural products at the place where they are produced is being introduced slowly. Only 10 percent of canned fruits and vegetables are manufactured in kolkhozes and sovkhozes. At the same time, a significant quantity of vegetables and fruit is fed to livestock and sometimes it simply perishes.

The fulfillment of tasks presented in the Food Program requires the creation and expansion of subsidiary enterprises. The republic has valuable experience regarding surplus; it is not necessary to go far. All that is left is to utilize this experience. It all depends on initiative.

Problems with Supply of Mineral Fertilizers Noted

18240077 Moscow SELSKAYA ZHIZN in Russian
7 May 88 p 2

[Article by V. Markov: "This is Happening in the Face of Adequate Supplies/ Why Fertilizer is in Short Supply"]

[Text] Our country produces more mineral fertilizer than any other country in the world. Yet horticulturists and vegetable farmers run themselves into the ground looking for superphosphate and urea for private plots. Many letters arrive from Siberia, the Urals, Moldavia and from the Moscow region. Even in Moscow itself it is a problem to buy a bag of fertilizer.

"Not a single enterprise store in Gagarinskii or Okt'yabrskii rayons sells fertilizers," complain M. Voskresenskaya and other farmers.

What has happened? Why has the shortage developed? For an explanation we turned to the USSR Ministry for the Production of Mineral Fertilizers.

"This is a painful problem," says the director of the division of consumer goods and services to the population, A. S. Ovchinnikov. "Our plan is large, but only 13 percent is allocated for fertilizer to subsidiary enterprises."

"Are there enough lines for small packaging?"

"The lines are available but they remain idle. We ourselves do not have the right to sell, but I'll tell you outright that trade organizations are not eager to do this. Let us take Razdolsk's Sera Association. There a line has been installed for the packaging of 20,000 tons of nitroammophos per year. Yet last year agreements signed with trade organizations were for only 1,600 tons. The plan for consumer goods is not being fulfilled and workers are dissatisfied. In many of our combines the picture is cheerless. We must fulfill the plan using goods that are not a part of our profile."

"We have to compromise with the Ministry of Trade," adds A. V. Ivanova, senior economist of the department. "Previously it asked us to supply no less than 60 percent of the fertilizer during the first 6 months of the year. Then it increased this figure to 70. And now it requires no less than 80 percent. This is so as not to become involved in storing mineral fertilizers. But after all plants operate on a year-round basis. And still we agree to everything just so they buy more. Yet we are told that there is no demand."

How can it be that there is no demand when people ask for these products? Perhaps science can elucidate things.

"According to our calculations no fewer than 350,000-400,000 tons of fertilizer are needed for subsidiary enterprises each year, translated into terms of active substance," says A. S. Oderberg, director of the sector on the assortment and quality of consumer goods of the NII [Scientific Technical Institute] on Fertilizers and Insect Fungicides. "But the Ministry of Trade requisitions only 140,000 tons. Moreover, several ministries produce fertilizers for the population. Only 115,000 tons remain as our share. This is too little."

It is true that last year the ministry somehow became more resourceful and attempted to supply 16,000 tons of mineral fertilizer more. But trade organizations are vigilantly on guard. The ministry received a letter from V. S. Gudkov, director of Glavkultbytorg [Main administration for the sale and trade of cultural-everyday, household and haberdashery goods]. In part, it stated, "Glavkultbytorg of USSR Mintorg [Ministry of Trade]

requests that you decrease the delivery of the following types of fertilizers according to the orders issued by Soyuzglavkhim [Main Administration for the Supply and Sale of Chemical and Industrial Rubber Products of USSR Gosnab]..." This was followed by the types of fertilizers, most of which are mentioned in the letters of despairing horticulturists and vegetable farmers.

"We cannot seem to come to an agreement with trade organizations," sighs A. S. Oderberg. "Our fertilizers are inexpensive, they do not 'make' the plan and there is a great deal involved in producing them. Of course specialized stores for which the sale of chemical agents would be the main concern are a necessity. But they do not exist. Out-of-town trade with horticultural partnerships directly from bases is developing slowly. The reason is the same—the 'mark-up' is not large. Thus it happens that in Moscow with its population of many millions fertilizers are sold in only seven stores of the Moskhoztorg [Moscow trade organization for consumer products] system."

Industry manufactures 29 brands of fertilizers for private plots. The NII on Fertilizers and Insect Fungicides has developed more than 10 more types. Even Western firms have shown an interest in some of them; discussions are being carried out on joint production. But how long will our horticulturists have to wait?

"If it were not for the impediments to trade we would bury the horticulturists in fertilizer," summarizes A. S. Oderberg.

"We can saturate the market," confirms V. I. Golyadkin, deputy director of the planning and economic administration of the ministry.

But bristling with bureaucratic horns, Mintorg strongly maintains its defense.

Problems for Amateur Horticulturists in Saratov
18240077 Saratov STEPNIYE PROSTORY in Russian
No 4, Apr 88 pp 40-41

[Article by V. N. Starovoytov, Deputy Chairman of the Saratov Oblast Council of the Society of Horticulturists: "Why so Sad, Horticulturist?"]

[Text] Collective horticulture and vegetable farming have truly become a common pastime for city dwellers in our oblast. From year to year the demand for orchard and garden space is increasing and the number of horticulturists is growing steadily. Thus, whereas in 1984-1985 3,600 families of workers and employees received plots of land, today this figure equals 115,000. Large masses of people are involved in useful labor and are becoming acquainted with working the land. Despite this fact in a number of places the attitude toward collective horticulture continues to be that it is a secondary priority.

According to our calculations, in our oblast 50,000 individuals wish to receive a plot of land for a garden. However, they are not always able to do this immediately and without problems. Here is the kind of letter we received recently from the city of Engels from K. G. Yelisheva. She writes: "My husband and I worked for 40 years in industry, and now we are in deserving retirement. For many years we have not been able to acquire four hundredths for a garden. I have turned to the ispolkom countless numbers of times, and the answer is always the same—there is no land. Where is it? What has happened to it?" asks the author of the letter. And she has a request—"Help us!"

It is hard to believe that parties who are responsible for solving these problems are in no condition to help two veterans. There are individuals who want to work the land, and there is land. What could be simpler than to unite the man and the land. It would be useful to the state and to society...

Today we can see clearly that restructuring, which has taken hold so strongly throughout the entire country, is still proceeding slowly and indecisively in collective horticulture. The garden plot has turned into a knot of acute problems.

Of course this does not mean that amateur horticulture and collective gardening have not developed at all in the oblast during recent years. In 1987 alone 28,000 tons of fruits and vegetables were raised in orchards and 49,000 tons of vegetables and potatoes—in gardens. On the average each orchard plot yielded 440 kilograms of produce. Many horticulturists have produced 700-800 kilograms and more. There are many amateurs who raise domestic fowl and rabbits. In 1986-1987 there were 2,150 bee families on horticultural plots, each of which produced an average of 35-40 kilograms of honey.

The collective of the horticulture partnership of Saratov-neftegaz [Saratov oil and gas association], Geofizik-1, last year produced an average of 552 kilograms of fruit, berries and vegetables on each garden plot. Moreover, it produced 506 kilograms of meat in slaughter weight and gathered 686 kilograms of honey. Here is your answer to the question of what the horticulturist can offer. He can provide a great deal if he works in a business-like manner and with his soul and if he uses the land efficiently.

Here is another example. The horticulturists of Zaymishche Partnership of the alkali reservoir plant last year produced a harvest of an average of 133 kilograms from each hundredth whereas the oblast average was 74 kilograms. A large quantity of fruit and berries has been given to children's preschool facilities.

Garden plots have been registered. The territory surrounding them is being kept up in model order. All of the houses are numbered, streets have been named and a children's playground has been built. Each gardener has been given a standards booklet. Through the efforts and

resources of horticulturists and with the participation of other partnerships a paved road has been built, a new bus route has been opened to the collective garden, a covered pavilion for passengers has been built, and all of this has been done by the caretakers of the garden plots.

Some of the gardeners have organized a bureau of good deeds. Its members render aid in welding work, in the repair of electrical equipment, in grinding instruments, in installing glass and in carrying out various carpentry jobs. The administration of the partnership has organized a detachment of adolescents to render aid to elderly gardeners in cultivating their gardens and in displaying their garden products. This is how that collective works—with specific tasks, in a business-like manner, purposefully.

The effective use of every square meter of the garden plot is the root problem in the work of the society.

To our great shame there are among gardeners negligent people who have turned their plots into a seedbed for weeds, pests and garden diseases. Especially dangerous is the infestation of a number of areas adjacent to the garden partnerships. We are often rebuked for the unsanitary condition of some of our plots. The rebukes are justified. It is essential to bring sanitary order more decisively and energetically to each partnership.

Collective gardens not only represent a green ring around large industrial centers but also signify a return to the life of the land and the production tens of thousands of tons of first-class produce.

The development of collective gardening and horticulture is an important socio-economic and political task. This is why the CPSU Central Committee has recognized it to be expedient to remove unjustified limitations and hindrances in the development of collective gardening. By doing this it put an end to many obsolete instructions and resolutions of the Model Horticulture Partnerships.

The goal now is to eliminate slowness and sluggishness, especially in questions of allocating land for garden plots, to more fully satisfy the population's demand for small garden houses and building materials. Often we hear complaints from gardeners, especially young ones, that there are no ready-made small garden houses available for sale. This is true. The poor quality and high cost of small garden houses put up by building organizations turn gardeners away and they agree to their construction only reluctantly, preferring to build them themselves—this is less costly, more dependable and quicker. But here another problem arises. How should building materials, pipes and metal parts be delivered to the plot? The problem is a topical one. After all the "leftist" is afraid to provide services to gardeners, and state transport organizations have not yet "turned their faces" to them.

Departmental means of transportation are being utilized unsatisfactorily in moving gardeners and their families out to the garden plots as well as in moving ready produce out of the collective gardens. Thus each time the agonizing question arises—how to get to the garden and how to get home while carrying buckets, pocketbooks and children.

Of course it is intolerable that under the conditions of restructuring and increased demand by the population for services, many gardeners cannot purchase, let alone bring in, manure, compost, sand and chernozem using their own money. Yet what could be simpler—enterprises could establish plans of paid services and on days off they could allocate departmental buses and trucks.

There is one other acute problem that we cannot find a final solution to. We are speaking about the procurement of surplus produce from gardeners. For several years now fruitless talks have been in progress with procurers. We demand, request and invite them to our gardens. We understand that state and cooperative trade does a great deal to supply the population with food products. There is no argument here. But there is one thing it cannot do, and that is to help the city dweller to buy fresh radishes right out of the garden in the morning and a bouquet of flowers in the evening.

Finally, we must organize the procurement of surplus fruit and vegetables from the gardener. According to the calculations of economists, as a minimum one fourth of the harvest perishes and gardeners do not make use of it. On the oblast scale this equals about 5,000-6,000 tons per year. At the same time each year plans for the procurement of garden products are not fulfilled. In the summer of the past year of the 100 reception points in the oblast only single ones were in operation, and as a result only 14,200 tons of fruit and berries were procured from gardeners instead of the planned 1,000 tons. In 1986 these indexes were higher. In most oblast rayons not a single kilogram of apples was received from horticulturists. There you have the result of the restructuring of procurers. Often the Kooperator stores refuse to receive fresh produce from gardeners for various reasons. Here is what gardener V. Ya. Serdyukov tells us: "I once attempted to sell an surplus 10 kilograms of fresh young dill plucked right from the row. But this turned out to be such a hassle that it defeated any purpose in dealing at all with the store."

We have heard such remarks often.

Today restructuring demands that we work in a new manner so that fruit and vegetables get to city stores while they are fresh, just like at the market. However, procurers, it seems, are not ready to work like this and perhaps they do not want to undergo restructuring.

It is no secret that the development of collective gardening is still being hindered in many oblast rayons due to other problems. Let us look at some of the most urgent—

water supply, the building of wells and pumping stations as well as their preventative servicing and repair. Right now gardeners are living with what they can get; they buy something somewhere, they make an agreement with someone to weld pipes or to install a water system. The problem of building roads and approaches remains acute. For example, there is no end to the flow of complaints from gardeners of Kumysnaya Polyana in the city of Saratov. For many years they have been requesting from the city authorities that a paved road 4 kilometers long be built to the collective gardens. However, nothing has been done. There are complex and serious problems involving the building of electrical lines and the supply of capacities for water and electrical equipment. There are many complaints about the poor trade and medical services in some places. Not a single large land area of collective gardens around cities such as Saratov, Engels, Balashov, Balakovo and others has telephones.

We see a solution to the aforementioned problems in the creation of a specialized cost-accounting association for providing services to gardening partnerships under the standard name of Sadovod. This kind of experience exists in Leningrad and other oblasts of the country.

What we have in mind is that independent cost-accounting enterprises such as building-installation, transport and loading-unloading enterprises will be created within associations. Sadovod Association should be given the right to trade in building materials, poisonous chemical agents, fertilizers, panels, gardening inventory and the means of small mechanization.

A proposal is being introduced to have a House of the Horticulturist in Saratov with a permanent exhibit. Moving to meet the desires of gardeners, we have printed several posters generalizing some of the progressive experience that has been gathered in Saratov Oblast. A fairly large network of national universities, gardeners' clubs, lectures and seminars is in operation. The best propaganda agent for collective gardening and positive experience is the annual exhibitions, "Gifts of Saratov Gardens." This year we will be holding the third oblast exhibition of produce that is cultivated in collective gardens. The exhibit must become a real school of progressive experience. But...gardeners continue to experience an acute shortage of special literature on horticulture and gardening. It is available for sale very rarely. It is a good thing that many newspapers and magazines, including our regional magazine STEPNYE PROSTORY, have begun to print materials more often to aid horticulturists and gardeners— advice, consultations, overviews— and to carry out middleman functions.

Under conditions of democratization and glasnost that have developed in the country we can solve many problems in a better way, more efficiently and more

quickly. What is demanded of us is to demonstrate more persistence and purposefulness in dealing with any problems related to improving the operations of horticultural partnerships.

Branch oblast trade union committees and the trade union committees of enterprises can and must provide considerable help to collective horticulture, especially as concerns the beautification of collective gardens and the rendering of consumer services to gardeners. An analysis shows that these questions are very rarely included in collective agreements and in plans of social and economic development of labor collectives. It is very important that the collectives of horticultural partnerships, and the oblast, rayon and city societies direct their efforts at increasing garden production output and at fulfilling the socialist obligations of 1988. This will be our specific contribution to the fulfillment of the Food Program.

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Reasons for Slow Development of BSSR Kolkhoz Markets Discussed

18240075a Minsk SELSKOYE KHOZYAYSTVO
ROSSII in Russian No 3, Mar 88 pp 30-31

[Article by V. A. Bulakh, senior scientific associate, Belorussian branch of the Tsentrsoyuz (USSR Central Union of Consumer Societies) VNIIPK (All-Union Scientific-Research Institute on Production of Food Products from Potatoes): "What is Holding Back the Rebirth of the Kolkhoz Markets?"]

[Text] Today in the republic there are 233 kolkhoz markets with 40,000 selling spaces. Of these, 145 are of the pavilion type and 7 are open-air markets. Surveys conducted by oblast and rayon consumer unions have determined that the material-technical base of the markets has been developing at an extremely weak rate for a long time. Around half of them have no lighting, while the overwhelming majority have no water lines or sewer systems.

Thus, at the Pinsk kolkhoz market the buildings are old and the warehouse and buro of trade services are in a run-down state. Out of 6 refrigeration units, only one is in working order. At the Kalinkovichi market the sale of produce is performed directly from trucks due to the lack of pavilions for the kolkhozes and sovkhoses. There are no means of mechanization or transport, and no refrigeration facilities. On the whole throughout the republic, 70 percent of the markets are in need of capital repair and additional equipment. (On the average for 100 selling spaces there are 47 table scales and 52 units of other trade inventory).

Even those insignificant capital investments which are allocated for these purposes are far from fully utilized. In Gomel oblast, for example, in the first half of 1987 only 32 percent of these capital investments were assimilated. Of the funds allocated for construction and improvement of kolkhoz markets in Minsk, only 19 percent were actually spent, while at the Chizhov market this figure was even less—2.5 percent. The construction of a covered market in Brest is proceeding at an extremely slow rate.

The regimen of operation of individual markets also does not meet the demands of the population. Only half of these markets are open every day. Eleven percent of them are open 2 or 3 times a week, while the rest are only open on Sundays.

Year after year, the goods turnover at kolkhoz markets is declining. Of the overall volume of food products, the population obtains only 4 percent at these markets (computed by state retail prices). The sale of meat, vegetables, fat, fruits and potatoes is declining at a particularly rapid rate.

One of the reasons for this is concealed in the insufficiently defined contract relations and in weak commercial trade work. The conclusion of contract agreements between the market management, the suppliers and the sellers in most cases bears a formal character. Often these contracts have no legal force, and do not provide for any penalty fine sanctions. There is no accounting at the markets of how many products are supplied in the necessary assortment and in accordance with each contract agreement. For example, the contracts for 1987 provided for the sale of 600 tons of potatoes and 160 tons of vegetables by 30 kolkhozes and sovkhoses at the kolkhoz market in Volkovysk. Yet an investigation showed that in the first 6 month period only 12.5 tons of potatoes and 2 tons of vegetables had been sold. Altogether, the kolkhozes and sovkhoses of Minsk oblast sold only 3 percent of the potatoes and 4 percent of the vegetables specified in the plan established by the oblistpolkom [oblast executive committee] at these markets. (The survey data are for a period of 10 months). On the whole in the republic, the plan assignment for potatoes was only 18 percent fulfilled, and for vegetables—19 percent. Out of 307 farms which were obligated to conduct the sale of vegetables at the markets, only 78 participated, while only 10 out of 566 farms engaged in the sale of fruits and berries.

According to the statute on the kolkhoz market, the primary supplier of agricultural products must be the agricultural enterprise (kolkhoz). It has the right to sell the products at its own discretion either through its own efforts or through the organizations of the consumer cooperatives. The owners of personal subsidiary farms may also sell farm products at the market. However, recently as a result of the insignificant relative share of products supplied by kolkhozes and sovkhoses to the kolkhoz markets, the main suppliers and sellers have

been private individuals. Last year alone they sold 70 percent of the potatoes and over 85 percent of the vegetables, fruits and berries.

The consumer cooperatives, which have been called upon to expand the sale of agricultural products, have also not yet taken firm positions at the kolkhoz markets. At the present time there are 215 cooperative trade enterprises at the markets. Of these, only 63 trade in agricultural products, which does not facilitate the reduction of market prices. As yet, they still exceed the state retail prices for tomatoes by 3 times, for potatoes and cucumbers—by 4 times, for fresh cabbage—by 6 times, and for beets and carrots—by 7 times. And at the markets of Mozyr, Grodno and certain other cities in September the prices on cabbage were 9-10 times higher than the state prices.

The structure of the goods turnover in cooperative trade has not improved at the markets in recent years. Meat products account for over two-thirds of this trade, while potatoes and fruit and vegetable produce account for less than 15 percent. Also, this produce is generally sold only in season. During other times of the year the buyers are, as a rule, offered canned produce, dried fruits, beans, and nuts... Yet the owners of the personal subsidiary farms sell potatoes, fresh, pickled and fermented vegetables and fruits practically year-round.

The conclusion is obvious: this state of market trade does not and cannot satisfy the demands of the population. It must be radically reorganized in accordance with current requirements. For purposes of improving the work of the kolkhoz markets, the governing board of the Belkoopsoyuz [Belorussian Cooperative Union] has created a special administration for managing kolkhoz markets and city cooperative trade in the republic. Cooperative stores are being set up in each raypotrebsoyuz [rayon consumer union] and raypo [rayon consumer society]. Possible variants for reorganizing the management of the markets and improving their operation are being studied. On-site integrated programs are being worked out for the development, reconstruction and technical retooling of the markets for 1988-1990 and up to the year 2000. These call for achieving the standards of provision with trade area computed per 1,000 residents. Much attention is being given to the creation of maximal conveniences for the buyers and sellers.

The question of planning new markets is most acutely presented. Today it is necessary to have 4-6 project plans for various types of populated areas: from the rayon center to a large industrial city. Also, a structurally new type of market is needed which differs radically from the existing designs and which provides for the necessary number of individual stalls for storing agricultural products, spaces in the hotel and in the parking areas...

Stores which sell the products of cooperatives as well as the products of individual labor activity of the citizens must be built in a single complex. Each market should

have enterprises selling household and building supplies, garden supplies, mineral fertilizers, seeds, and planting materials. It should also have dining rooms, cafeterias, pastry shops, etc...

Such services as the sale of farm produce through the efforts of the market workers must be introduced on a large scale. This will make it possible not only to save the time of those who want to sell the produce, but will also rid them of other worries. After all, not everyone can or wants to perform the role of seller at a market.

It is important also to resolve one other very current question: to supply the markets with their own specially equipped motor transport or to grant them a sufficient limit for general use transport, and also to allow use of vehicles belonging to kolkhozes, sovkhozes and other organizations for bringing the produce to market. This would guarantee its delivery even from the most remote villages. It would be expedient to establish routes in a number of directions for cargo and passenger buses to bring small load shipments and people to the market.

During the season of mass ripening of fruit and vegetable produce, aside from trade fairs with the broad participation of enterprises of trade and public catering, we should also organize trade in the form of evening bazaars with extended operating hours of the markets, or organize their operation in two shifts—morning and evening. Of course, the population would have to be kept constantly be informed of this.

Consumer cooperatives must sell their products at lower prices than the markets, and in greater quantity. For this purpose, we must more broadly involve the commodity resources for trade with other republics and increase the processing of farm products at cooperative industry enterprises. For the off-season period we must stock in more fermented cabbage with fillers, soaked and frozen apples, pickled cucumbers and tomatoes. We must procure more wild berries, mushrooms and medicinal herbs.

The more extensive rights which have today been granted to consumer cooperatives will facilitate the expansion of goods assortment. Thus, beginning in 1986, cooperatives have been permitted to buy at cooperative prices directly through the kolkhozes and sovkhozes the cattle and poultry which have been raised in personal subsidiary farms in accordance with contracts for supplying the population of cities and industrial centers.

However, the Gosagroprom [state agro-industrial complex] farms must become the main market suppliers of food products. As of 1987, kolkhozes, sovkhozes and other agricultural enterprises have been permitted to sell up to 30 percent of their products (as well as all of their above-plan products) at contract prices to consumer cooperative enterprises, as well as at kolkhoz markets. These products are also counted toward fulfillment of the state plan.

In order to reduce losses and to influence the prices of the kolkhoz market more actively, the republic gosagroproms and agro-industrial committees of the krais and oblasts have been given the right to set retail prices on vegetables, potatoes, fruits, melons and other crops sold through their subsidiary stores. All this will significantly increase the population's provision with agricultural products and improve the market trade.

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Kolkhoz Market Development in UzSSR Viewed
18240075b Tashkent SELSKAYA PRAVDA in Russian
27 Feb 88 p 3

[Unattributed article: "A New Master at the Markets"]

[Text] An article under this headline was published in SELSKAYA PRAVDA on 12 February of this year. It spoke of the fact that despite the transfer of Tashkent markets to Uzbekbriyash, the situation with sale of vegetables and fruits to the public through state trade, cooperative trade, and kolkhoz produce stands has not improved. As before, the private sector rules here, setting its own very high prices on the produce grown in gardens and vegetable patches. The city resident has been faced with the fact: if you want to buy good produce, you have to pay an exorbitant price.

The chief of the Tashkent City Administration on Kolkhoz Markets, P. K. Ayrapetov, reported to the editorial board that the article "A New Master at the Markets" was reviewed and discussed by the Administration Council on 15 February 1988 with the participation of the entire apparatus and the market managers. It was acknowledged that the questions raised by the newspaper regarding the operation of the markets were timely, and that current problems had been touched upon.

Developing the theme touched upon in the article, the Tashkent Kolkhoz Market Administration considers it necessary to focus more closely on the existing state of affairs. According to the effective standard regulations of trade at the kolkhoz markets ratified by order of the USSR Mintorg [Ministry of Trade] in 1978, the sale of farm produce by kolkhoz farmers and other citizens is performed at prices established by agreement of the parties. The setting of marginal prices is not permitted. Moreover, the normative documents and reference materials explain that the practice of administrative regulation of prices which has taken place in a number of the union republics and individual cities has led to a reduction in the supply of agricultural produce, a deterioration in the provision of the urban population, and an emergence of unregulated extra-market trade under unsanitary conditions.

High prices at the markets are a clear indicator of the fact that not all is well with the organization of fruit and vegetable provision. While the volume of supply of farm produce from the private sector remains relatively stable year after year (within the limits of 285,000- 300,000 tons), it is unstable along the line of state trade. Therefore, the primary supplier of farm produce remains the private farmer, who accounts for 85 percent of the fruits and vegetables sold at the markets.

The kolkhoz market administration is taking measures to step up trade in garden and orchard produce through state trade and cooperatives. At the present time, "Tashgorkooptorg" has facilities with area of 4,670 square meters at its disposal at the kolkhoz markets. This is 15 times greater than at the beginning of 1986. The number of kolkhoz stalls in 1987 has been increased from 5 to 23, thanks to which the goods turnover has increased and the supply of produce has increased by 4.8 times and comprised 2,975 tons. Our administration has repeatedly turned to various soviet and party organs with proposals to assign the oblast's farms to the Tashkent markets and to establish specific plans for their supply of farm produce. However, this question has not been resolved, and the kolkhozes and sovkhozes conclude contract agreements with the markets at their own discretion.

A radical improvement in supplying farm produce to the kolkhoz markets may be achieved only by a drastic increase in the network of consumer cooperative and kolkhoz trade points. Therefore, we have submitted our proposals to Uzbekbriyash and Tashgorispolkom regarding a review of the distribution of the trade network at the markets. After all, at the present time the relative volume of state trade in non-food and food products, with a standard of 5-15 percent of the computed capacity of the market, in fact comprises around 40 percent. In connection with this, provision is made for vacating the facilities rented from the markets by the "Tashgalante-reyorg" and "Tashtelkstilshveyorg" stores and the rayon food stores—a total of 10 stores with area of 2,500 square meters. This would make it possible to set up 10 kolkhoz stalls and 5 "Tashgorkooptorg" stores for the sale of farm produce. However, this question has not been positively resolved.

As for cost accounting and centralization of the bookkeeping of all the markets, this is directed toward increasing the labor productivity and the quality of record keeping, as well as the application of new forms and methods of bookkeeping accounting. This will in no way have a negative effect on the provision of the markets with farm produce.

On the whole, such a formulation of the matter has justified itself and has found support from most of the market managers. After all, the income and expenditures of the individual markets, including the Alayskiy market, allow us to realize insignificant profits, which are not sufficient for large-scale purposes. Under these conditions, we cannot think of serious reconstruction without centralization of funds.

If we speak specifically of the Alayskiy market, in 1987 out of income totalling 520,000 rubles the expenditures comprised 287,500 rubles. Of this, 102,000 rubles of net profit—almost half—were directed for capital repair and compilation of project-estimate documentation for reconstruction. Work will begin in 1989 on the reconstruction of this market, at an estimated cost of 2.8 million rubles. As we can see from the computation presented above, with a profit of 130,500 rubles it will be impossible to perform this work quickly without drawing upon the centralized funds of the entire administration.

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Adjusting to New Economic Conditions in Siberia, Uzbekistan

Problems in Self-Financing
18240070 Omsk ZEMLYA SIBIRSKAYA,
DALNEVOSTOCHNAYA in Russian No 2, Feb 88
pp 2-3

[Article: Self-Financing: First Steps]

[Text] As of 1 January 1988 many kolkhozes, sovkhozes, and APK enterprises in our region are changing over to self-support and self-financing conditions. Economic levers and cost accounting are beginning to operate in full force and the Law on the State Enterprise has been put into effect. Today many managers think about the new page in the life of their collectives with hope and some concern. How will matters proceed? How to realize what has been planned more rapidly?

Of course, success will depend primarily on how kolkhozes, sovkhozes, and APK enterprises prepare themselves for this responsible matter. Before the transition to self-financing and self-support many of them solved a number of technico-technological and organizational-economic problems in an overall manner: They profoundly analyzed the activity of farms, certified and streamlined work places at all projects without exception, selected the best variant of intrafarm specialization, and optimized the areas of agricultural crops cultivated according to intensive technologies. Efficient approaches were also utilized in the solution of other problems, that is, determination of production norms (volume of every type of output) and of standards of material expenditures and wages and optimization of purchase prices of agricultural products with due regard for the natural and economic conditions of every farm. As a rule, such farms saw to it that optimum reserves of feed, seeds, and finances were created, outfitted repair shops with the necessary equipment, and built reliable facilities for the storage of feed, vegetables, and so forth.

All these and other measures now help to efficiently utilize cost accounting, the collective contract, the flow-cycle method of equipment utilization, the flow-shop

system of milk production, and wages based on gross income, which with relatively small capital investments give a significant economic effect.

Nevertheless, many problems still remain. Therefore, telephone calls do not cease and there is an endless flow of letters to superior bodies and to editorial departments of newspapers and journals, which boil down to one thing: What is to be done? How to act? Why are we not permitted to manifest independence in large measure? It should be noted right away that such questions arise more often among those that are not ready to change over to full cost accounting and self-financing, who have insufficiently mastered economic methods of management, and who are in no hurry to part with old methods of work. Therefore, parasitic frames of mind, bureaucratic administration, and so forth are still manifested among such managers and specialists. Unfortunately, however, there are many problems of another kind. Today many rural managers are especially disturbed by the problem of profit distribution. Many farms and APK enterprises earn enough money for their development. As before, however, they may not see this money. Although all of them, after making payments in favor of the budget and paying interest on bank loans, have the right to distribute profit themselves. The point is that here and there agro-committees and associations plan deductions from the profit of kolkhozes, sovkhoses, and APK enterprises into their centralized fund, which are even higher than last year's deductions. Of course, the centralized fund is needed. Agroprom bodies must still carefully analyze what the standard of deductions into this fund should be. The chief thing is to see to it that a substantial part of the money earned by the collective remains at its disposal.

The Law on the State Enterprise states that the collective should dispose of cost-accounting income independently. This provision should be realized in practice more rapidly. To earn money is half the job. Under self-financing conditions it is necessary to use it skillfully and efficiently. If it is a matter of full cost accounting, full economic independence should be granted to the kolkhoz, sovkhos, and enterprise.

In Altay Kray the contract and the check system of control mastered at virtually all sections, brigades, and links placed agricultural output on a truly cost-accounting basis. Rural workers now themselves decide who should be in their collective, how many managers to keep, and what equipment to use. Machines and units, which were purchased in bygone days "as a reserve" and proved to be unnecessary, are sold on many farms. This is what "people count money" means.

Our journal has often related the experience of kolkhozes and sovkhoses in Ordynskiy Rayon, Novosibirsk Oblast, which have been transferred to wages based on gross income. Here not individual links and brigades, but almost all farm workers, including managers and specialists, receive wages depending on the quantity and quality

of output, as well as for saving direct expenditures. As a result, in 1986 alone the rayon increased the production volume by 16 percent and labor productivity by 24.5 percent. Funds are used efficiently on farms: Housing, social, cultural, and domestic service projects, and roads are built and production premises are reconstructed.

Last year the introduction of advanced technologies in combination with collective forms of labor organization and stimulation, cost accounting, and the permanently operating system of teaching workers new methods of management enabled many kolkhozes and sovkhoses in the region to improve production and economic indicators significantly. However, such a situation does not at all exist everywhere. Some farms in the Tuva ASSR, Krasnoyarsk Kray, and Kemerovo and Chita oblasts tolerate formalism and irresponsibility in the introduction of cost accounting. Contract collectives often do not have a guaranteed provision with resources and their economy is stimulated weakly. There are cases of a leveling distribution of wages, when the money earned by a farm is used inefficiently.

The following situation has been created in many rayons: Whereas there are virtually no obstacles to cost accounting in a brigade or a link, it stumbles at a farm level. Why does this happen? The reasons once again are seen in the bureaucratic style of management. Farm managers noted the following at the courses recently held in all krais and oblasts: No matter what one undertakes, "it is impossible," "it is not specified," "the bank will not permit," "you violate the instruction," and so forth. Let us take the problem of material and technical supply. Is it not obvious that self-financing is incompatible with the allocated distribution of resources? What will remain from cost accounting if a farm, having money, is not able to buy with it what it needs? For the time being, however, in many of the region's oblasts there is only talk about wholesale trade. At the same courses kolkhoz and sovkhos managers expressed the following proposal: A procedure should be established: If a farm changes over to self-financing, it is granted the right to purchase resources freely. Considerable wealth—fixed capital worth millions of rubles and big collectives—is entrusted to kolkhoz and sovkhos managers and specialists. But why at times are they prevented from taking the smallest independent step?

Today many agro-committees try to answer the following question: Why do RAPO and other management bodies have become a braking unit? First of all, because they do not want to part with administrative levers. It is much simpler to give directives, not bearing responsibility for consequences, than to adjust the APK mechanism by means of economic regulators.

There are still many cases when chairmen and directors are summoned to the rayon with reports and to conferences almost every day. For example, the following "conditions" are created so that the initiative and independence of a farm manager in Ziminskiy Rayon,

Irkutsk Oblast, is manifested fully: Here the proportion of various rayon conferences in the annual allocation of work days makes up from 30 to 36 percent, which costs the rayon up to 1 million rubles annually. Another rayon measure takes up the entire work day. In brief, as before, administrative methods are in vogue, but economic methods are mastered slowly. This especially applies to normative planning. Before the transition to self-financing there was a great deal of talk about it, but it is being introduced weakly. As before, everything is based on what has been attained. Nor has the wage fund been placed on a normative basis. Many economic levers—price, credit, and profit—have not been properly activated to this day. Under self-financing without these most important results it is difficult to expect success. The basic field of activity of the agro-committee, RAPO, and their economic services is precisely here.

V. I. Lenin called the bureaucrat the worse internal enemy. As applied to our time bureaucracy is the chief enemy of restructuring. It does not yet want changes. In words it is for an expansion of managers' rights, but in reality it does everything in order not to give up its positions. Although, if any specialist or manager is asked what he expects from agroprom bodies, most of them will say: "That they don't harass us with trifles, but engage in provision with resources."

It should be noted that many farms in Siberia and the Far East approached the initial positions of the new economic mechanism with an unhealthy financial situation. Let us cite the example of Omsk Oblast. For example, on this oblast's kolkhozes in 1986 profit totaled 27 million rubles. Essentially, however, this is a subsidy in addition to purchase prices—28.4 million rubles. As a result of unprofitableness, in the last 5 years 102 out of 158 kolkhozes completely lost circulating capital worth 109.8 million rubles. Entering the new stage in management, the oblast's sovkhoses turned out to be in approximately the same situation. By the beginning of the current year 189 sovkhoses have a shortage of circulating capital and are unable to make up for it without state assistance.

Many kolkhozes and sovkhoses have become so accustomed to credits, various increments, and sometimes simply handouts that they do not conceive of a different life. "Economic incentives" at the expense of increments and subsidies gave rise to placidity, serenity, and dependence among managers. Such economic measures did not stimulate a reduction in production costs of agricultural products and did not have a serious effect on them.

Today the deficiency formed in the sources of liquidation of State Bank loans is obvious and its scale has by no means diminished recently. Our nonstaff correspondents V. A. Temnikov and F. I. Yurchenko in their materials, which will be published in one of the journal's next issues, cite the following facts for Omsk Oblast: A total of 20.5 million rubles out of the total planned sum of loans for paying off 282.7 million rubles by the end of 1987, or

7.2 percent, have been paid for now. In connection with this all the rising interest on the use of short- and long-term credits, whose amount has now reached 18.8 million rubles, is an excessive burden for farms.

Such a financial situation, which has also been created in other APK of our region, requires a radical improvement. Some economists propose the introduction of special limitations in granting credits to kolkhozes and sovkhoses and a more persistent application of economic levers to prevent loan crediting, as well as stricter sanctions. However, it should be kept in mind that it is impossible to ensure scientifically the introduction of new forms and methods of management without profoundly interpreting achievements and oversights, uncovering the possibility of a breakthrough in the economy, and searching for financial reserves in every specific situation. Only with such approaches is it possible to ensure efficient farm work under self-support and self-financing conditions.

Self-financing as an intensive management method is inconceivable without the personal interest of every APK worker. Incentives for labor should be constructed so that all collective members strive to obtain maximum profit. Of course, appropriate conditions should be created for this. Several years ago on the farm of the first department of the Reshetovskiy Sovkhoz in Novosibirsk Oblast the lack of personal responsibility for cows and wage leveling led to the fact that not only was there a loss of milk yields, but the herd was damaged completely. The contract brigade collapsed and people lost faith in cost accounting and worked without interest. Now livestock breeders have again adopted the contract and introduced individual milk recording and the labor participation coefficient for a collective evaluation of the work of every person. And the situation has improved.

It is important for people to feel that they are masters and to believe in the new endeavor. In Novosibirsk Oblast the Troitskiy Sovkhoz gave checkbooks for recording expenditures to links. Livestock breeders immediately joined the search for potentials for savings. Herdsmen gave up tractors and transported feed on horses and milkmaids made specialists supply electric meters for every link. Savings of direct expenditures appeared during the first year.

The more deeply the new economic mechanism enters the life of labor collectives, the more obvious it is that not only economic difficulties caused by years of stagnation, but also psychological barriers, have to be overcome. The transition from the lack of personal responsibility and leveling to wages according to final labor results here and there is not yet perceived as an objective need. In order to unleash people's initiative and to spur them to creativity, it is necessary to improve incentives and to disseminate the best wage experience more widely. In the light of the decisions of the 27th party congress it is necessary to renew personnel more boldly and to see to it that every link in economic work is

headed by true innovators profoundly aware of the need for qualitative changes and capable of breaking down inertia and routine and of creatively implementing modern economic policy.

The transfer of farms and APK enterprises in the region to self-financing is made during a crucial period for APK. On fields and in repair shops energetic measures are taken to prepare for spring sowing and harvesting work in an all around manner and to obtain a high harvest in 1988.

Everything must be done so that soil cultivating machines are completely ready for operation no later than 1 February and all harvesting and feed procurement equipment, by 1 April.

No less responsible tasks also face the region's livestock breeders. Some farms and complexes still introduce cost accounting and the contract inefficiently and tolerate serious oversights in feed preparation and in the care of animals, which, ultimately, affects the results of kolkhozes and sovkhozes. Now, when the most intense period in livestock wintering has arrived, every work day of the zootechnician and veterinarian should begin on the farm. Their duty is to help livestock breeders to utilize maximally the potentials for increasing livestock productivity and to master new methods of management more rapidly.

The new is always born in a struggle with the old. Self-support, cost accounting, and self-financing are no exceptions. Siberians and Far Easterners are undertaking a difficult endeavor with enthusiasm and effort.

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New Economic Principles Explained
18240070 Tashkent SELSKOYE KHOZYAYSTVO
UZBEKISTANA in Russian No 2, Feb 88 pp 19-21

[Interview with V. I. Antonov, first deputy chairman of the Uzbek SSR Gosagroprom, by deputy editor-in-chief of SELSKOYE KHOZYAYSTVO UZBEKISTANA: "Cost-Accounting Principles Stipulate..."; first two paragraphs are SELSKOYE KHOZYAYSTVO UZBEKISTANA introduction]

[Text] Recent party and government decisions stress the need for the maximum possible improvement in the material incentive system as the most important condition for increasing workers' labor activity. The following task is set: To close all the channels of payments of unearned money and issue of undeserved bonuses and to ensure the calculation of earnings in accordance with the labor contribution of every worker and workers' interest in the cost-accounting functioning of all production subdivisions, in the introduction of collective forms of wages for contract subdivisions, in the organization of a coordinated and smooth operation of all enterprises of

the republic's agro-industrial complex, and in enterprise work on the basis of self-support and self-financing principles. All this will make it possible to eliminate the defects in the realization of the basic principle of socialism "from everyone according to abilities to everyone according to labor," which were formed during the period of stagnation.

The second month has passed since the USSR Law on the State Enterprise (Association) was adopted. Working under the new conditions, many problems arose among field and farm workers and specialists and managers of APK enterprises and organizations. In this connection P. A. Komirenko, the journal's deputy editor-in-chief, asked Comrade V. I. Antonov, first deputy chairman of the Uzbek SSR Gosagroprom, to answer a number of questions. Today's edition publishes the text of the held dialogue.

[Question] In what lies the collective form of labor organization and wages based on self-support and self-financing principles?

[Answer] The economic meaning of the collective form of labor organization and wages lies in the fact that a group of workers assume the obligation to receive a certain quantity of output on the assigned land area in plant growing and from the assigned stock in animal husbandry in strict accordance with the set assignment (contract) and sovkhoz (kolkhoz) management undertakes to promptly give the necessary resources to the collective and to create conditions for a successful solution of this problem.

Wages are paid according to the collective rate for output and material incentives for workers are provided so that all collective workers are interested in the overall final production result and every worker is interested in increasing his contribution to the overall result.

Contract collectives are given independence in the fulfillment of the production program established by the cost-accounting assignment (contract) and organize their work within the designated production limits, assigned means of production, and allocated resources.

When collectives are transferred to full cost-accounting, self-support, and self-financing, they should bear full economic responsibility for the results of their activity and calculate wages in direct relation to this.

All current expenditures, including wages, are covered by the money earned by the collective. At the same time, a procedure should be in effect, under which the sovkhoz (kolkhoz) administration has the right to cancel the contract if a subdivision violates production technology, or breaks labor discipline, as well as during misappropriations of output.

Poor-quality products produced by a contract collective are not paid for and in case a dispute concerning the fulfillment of contractual obligations arises, it is resolved legally.

[Question] Please discuss at greater length wage expenditures planned on the republic's farms and how they are coordinated with the profitability of public production.

[Answer] Expenditures on wages and material incentives for labor play an important role in ensuring an organic coordination of cost accounting with the development of contract forms of labor organization and in increasing the material interest of kolkhoz and sovkhoz workers in the growth of the volume of agricultural output, efficient utilization of material and labor resources, and increase in farm profitability.

The wage system based on gross income meets these requirements to a large extent. In wages based on gross income the amount of material incentives depends not only on the quantity and quality of produced products, but, what is very important, on the expenditures on their production.

Therefore, wages for kolkhoz and sovkhoz (workers) and brigade and link collectives based on gross income represent the most reliable antiexpenditure mechanism. In their essence they are cost-accounting wages directing the work of collectives toward the attainment of high final results.

Gross income for wages for sovkhoz and kolkhoz workers is calculated as the difference between the value of output and the material expenditures on its production. At the same time, the fewer the material expenditures, the lower the production costs and the higher the profitability.

The standard of wages based on the derived gross income is determined by the relation of the wage fund to the difference between the value of gross output and the material expenditures on its production.

The wage fund is formed from the wage rate fund, increments for proficiency and titles, current incentives, and funds earmarked for additional payments and bonuses based on annual work results.

The value of gross output is calculated on the basis of the norm of production in kind and the average actual sales price (excluding surcharges for the sale to the state of products in excess of the average level attained during the preceding five-year plan).

Material expenditures include expenditures on seeds, fuels, lubricants, fertilizers, feed, depreciation and current repair of fixed capital, transport operations, and other direct expenditures.

[Question] What rights are given to enterprises in connection with the sale of agricultural products to workers, kolkhoz members, and seasonal workers on account of their earnings?

[Answer] In accordance with the decree of the CPSU Central Committee and the USSR Council of Ministers "On the Further Improvement in the Economic Mechanism of Management in the Country's Agro-Industrial Complex" up to 25 percent of the products obtained in excess of the volume determined according to the contract are distributed to contract collective workers in the form of payment in kind (at workers' wish it is possible to pay for the value of output at the retail price). Wages are not reckoned for the given products.

[Question] Some specialists believe that material incentives should be provided for attaining and exceeding normative production parameters set with due regard for the provision of every enterprise with resources, not for exceeding individually attained yield indicators. Do you consider this correct?

[Answer] At present material incentive for workers are provided in accordance with the Standard Statute on Wages for Workers of Sovkhozes and Other State Agricultural Enterprises. According to this statute, bonuses are given to brigade and link collectives and to individual workers:

for saving direct expenditures envisaged in the assignment at the rate of up to 70 percent of the obtained savings;

for overfulfilling the output plan; for increasing the yield of agricultural crops and livestock and poultry productivity as compared with the level attained during the preceding 3 to 5 years; for increasing feed production; for fulfilling and overfulfilling production assignments and improving the quality of output and other work indicators.

With the entry of the USSR Law on the State Enterprise (Association) into force as of 1 January of this year the following indicators, not normative production parameters, will be set for enterprises:

control figures,

state orders,

long-term economic standards and limits, as well as direct consumer orders.

At the same time, the enterprise forms, according to the set standard, the wage fund depending on final work results.

The enterprise will be granted the right:

to determine wage forms and systems;

to develop and approve the procedure for the award of bonuses to workers and managerial personnel at structural units and subdivisions.

[Question] Cost-accounting principles stipulate that the enterprise itself determines the wage fund in accordance with the planned and actual results on the basis of stable standards for the 5-year period. However, if the rates of growth of average wages outstrip the rise in labor productivity, as economists maintain, the appropriate part of the funds should be reserved for enterprises for its utilization during the following year for stimulating further labor productivity growth and increase in production efficiency, or be assigned to the fund for social and cultural measures and housing construction during the current year. Is such a formulation of the question correct?

[Answer] All the sovkhozes of the Uzbek SSR Gosagroprom changed over to the new procedure of formation of the wage fund as of 1 January 1987. According to this procedure the farms themselves form the wage fund according to stable standards per 100 rubles of sold (gross) output for the 5-year period.

The fact that wage fund standards should ensure outstripping labor productivity growth, as compared with the growth of wages, is one of the decisive conditions for the transition of farms to the indicated procedure for the formation of the wage fund. In case of outstripped rates of growth of wages, as compared with the rates of labor productivity growth, the appropriate part of the material incentive fund is reserved for farms for use during the following year for stimulating further labor productivity growth and increasing production efficiency, or is assigned to the fund for social and cultural measures during the current year. Such conditions of formation of the wage fund increase the responsibility of farms for final work results, wages are coordinated with the final results of farm activity, and personal interests are combined with collective interests. Under such a system of wage organization the earnings of every farm collective member depend on the results of his labor, which contributes to greater interest in production growth and in an economical utilization of all resources. The farm that consumes more than it produces cannot develop normally, violates the cost-accounting principle, and becomes incapable of changing over to self-support and self-financing.

[Question] A few words about how accounting prices are set depending on planned quality parameters and what the range of fluctuation of accounting prices and the optimal farm solution are.

[Answer] Beginning in 1988 the Uzbek SSR Gosagroprom has been using on several farms the "lease contract," whose basic principle is the fact that only the output plan and the accounting price, at which the

sovkhoz buys products from brigades, are established as the planned indicator for the brigade. The wage fund and other expenditures according to elements are not established for a brigade.

What do accounting prices represent? Purchase, wholesale, and other prices are in effect for the settlement of accounts between the state and the enterprise. They are set by the state. Usually, their level is such that during a normal enterprise operation it ensures the coverage of material expenditures on production, wages, and bonuses to workers and the derivation of profit for production expansion.

Accounting prices in effect between enterprises and their subdivisions ensure the coverage of only the first two parts, that is, material expenditures and wages with bonuses.

The first two parts of the value of gross output completely depend on workers. They can affect them. Therefore, the determination of accounting prices is based precisely on these two parts: the accounting price is equal to normative production costs minus the sum of planned savings with due regard for the payment of bonuses (70 percent of the savings). Such a calculation corresponds to the statute on the procedure for the payment of a bonus for lowering direct expenditures, which is currently in effect.

In this case the difference between the value of output at accounting prices (subdivision income) and the sum of material expenditures on its production, or a wage increase corresponding to the reduction in expenditures attained by a brigade, not wage rates multiplied by norm-shifts plus indicators for the award of bonuses, is the wage fund. The essence of the lease contract lies in this.

It is important that the result be attained not by administrative measures, not in the form of an order, by through a change in workers' psychology with the aid of economic calculations. At the same time, the creation of normal conditions for the work of brigades and the solution of legal, disputed, and other matters and problems concerning relationships among subdivisions are the main tasks of the sovkhoz administration.

[Question] It is well known that the amount of an advance for cost-accounting contract collective workers should not be considered separately from the system of wages based on final results. Nevertheless, there is no unity among economists in the determination of limits of funds for advancing wage expenditures: Some believe that they should be no more than 70 percent of the wage fund, others, 80 percent, and still others, within 100 percent of the wage fund planned for the performance of work. What is your opinion?

[Answer] A correct formation of the advance payment fund is one of the most important conditions for a fair distribution of collective earnings among brigade and link members.

Before the final settlement of accounts for output wages for contract collective members are paid in the form of an advance.

Two types of advances—a time advance, or an advance in the form of a collective piece-rate pay according to a single order—have become widespread.

It should be noted, however, that the time advance is the most progressive, because with its introduction all the positive aspects of contract collective work are manifested more clearly and fully.

It is recommended that the amount of an advance in brigade and link collectives be differentiated depending on the complexity of performed work, workers' skills, and types or makes of tractors and agricultural machines assigned to them.

Advances are made for worked time according to wage rates of piece-rate workers of third to sixth categories for tractor operators and irrigators and of third to fifth categories for workers employed in manual operations. Increments for proficiency and payments for the titles "Master at Plant Growing," "Master at Irrigation," and "Master at Animal Husbandry" are paid in addition to monthly advances for workers. Hourly, daily, or monthly rates can be used for time advances. Time advances at monthly rates have become most widespread on the republic's kolkhozes and sovkhozes.

To calculate the monthly rate (salary), the sum of funds earmarked for wages during the year for the volume of planned work minus the funds for payment to enlisted workers is divided by the number of months of the field period (or year) and by the number of workers in a brigade or link.

Within the limits of the established wage-rate fund in production subdivisions it is possible to apply a higher amount of a monthly advance during the period of performance of the most important agricultural operations (sowing and harvesting). The specific amount of increase in an advance during the indicated periods should be determined with due regard for the length of the work day and the period of performance of the most important agricultural operations at the scheduled time.

At present kolkhozes and sovkhozes take advantage of the recommendations worked out by the Uzbek SSR Gosagroprom concerning the terms of wages and incentives for the labor of workers engaged in the cultivation of agricultural crops under the conditions of collective, family, and personal contracts on farms of the system of the Uzbek SSR Gosagroprom approved on 26 January 1987, according to which, before the final settlement of

accounts with brigade (link) workers and members of family and personal contracts for output, they are paid an advance at the rate of no more than 70 percent of the wage fund.

The distribution of advances among them is made in accordance with the decision of the brigade (link) council with due regard for the labor participation of every worker.

The Uzbek SSR Gosagroprom considers the last variant of advances for contract subdivisions the most acceptable.

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Sector Head Cites Problems in Produce Procurement

18240076 Moscow SELSKAYA ZHIZN in Russian
27 Feb 88 p 2

[Article by I. Khaustov, sector director of RSFSR KNK (People's Control Committee): "Even Though They Are Working 'By the Sweat of Their Brow'"]

[Text] During the last 2 years in some enterprises of the RSFSR the cost of average annual production of agricultural products has equalled over 22 million rubles. Agricultural workers have experienced real economic advantages as concerns raising livestock, especially for the purpose of selling it to the state. On the territory of Zvonarevskiy Village Council of Markovskiy Rayon, Saratov Oblast, for example, almost every kolkhoz farmer's household is raising some kind of livestock.

Consumer cooperatives have been given the main task of procuring, processing and delivering to industrial centers the products that have been produced in households. How are they dealing with their obligations? How are they helping villagers to sell their products? How large is their contribution toward improving the supply of produce in cities? These questions were analyzed in depth by the republic's organs of people's control. The investigation singled out a serious lack of satisfaction on the part of the population regarding the operations of consumer cooperatives even though at first glance they are working, as they say, by the sweat of their brow.

The plan tasks confirmed for Rospotrebsoyuz [Rostov union of consumer cooperatives] are being fulfilled for the majority of types of procurement. As compared to the past there has been an increase in procurement according to contract prices in potatoes, vegetables, fruit and dry fruits. Cooperative industry has been developed further.

Despite all of this it has turned out that in general consumer cooperatives are not ready for active work with the population to draw meat and other livestock-raising and farming products into food resources. The reserves that exist toward this goal are being utilized poorly. Many regional consumer societies are artificially hindering the reception of products being offered to them.

In Mishkinskaya Procurement Bureau of Kurgan Oblast on the day of the investigation, 26 August 1987, there were requests by the population for the delivery of 400 head of cattle. But it was planned to procure less than half of this number due to the refusal of the meat combine to accept the animals. The cooperative organizations of Amur Oblast do not procure livestock from the population on a local basis at all. People must themselves deliver the animals to rayon procurement bureaus or meat combines, where reception is not carried out on a daily basis.

In connection with the refusal to procure livestock the villagers of a number of rayons in Mordovia and the Vologda region are forced to take the animals to neighboring oblasts. Cases of holding back the reception of products from livestock raising have been found in the Bashkir, Buryat and Mary autonomous republics, in Maritime and Stavropol krais and in Arkhangelsk, Ivanovo and many other oblasts.

The residents of Achitakiy Rayon of Sverdlov Oblast, for example, could have sold consumer cooperatives over 5,000 tons of potatoes in the fall, but due to the shortage of sack packaging they could sell only half this amount. In the villages of Bashmakovskoy Rayon of Penza Oblast potatoes were procured only under the condition that suppliers bring them to the railroad station and load them onto railroad cars themselves.

In Nekrasovskiy Rayon of Yaroslavl Oblast on the territory of three village soviets that were investigated no one implements the procurement of surplus products from the population. During meetings villagers constantly criticize the fact that they do not have the opportunity to sell onions, garlic, mushrooms and other products to consumer cooperatives. In this oblast the population everywhere is experiencing great difficulties with regard to the sale of meat to consumer cooperatives because specialists of the veterinary service of the village region are not allowed to certify it. For incomprehensible reasons this can only be done at city kolkhoz markets.

Instead of procuring agricultural products in individual subsidiary enterprises of citizens, the consumer cooperatives of many regions have contrived to fulfill plan tasks by acquiring products according to contract prices in kolkhozes and sovkhozes. This is what Kalinin Oblast Consumer Union does, for example.

The rejection of livestock and other products submitted by villagers is often explained by the fact that procurement organizations clearly have purposefully smaller

quotas which they fulfill without particular difficulty and as a result of which they receive undeserved bonuses. The fact that half of the RSFSR's unions of consumer cooperatives fulfill their plan tasks in meat and milk procurement by 120-200 percent and that some even cover them by a factor of 10-12 proves that they are too low!

Despite the numerous instructions by directive organs concerning the development of consumer cooperation through contractual relations with the population, in a number of places this is carried out on a formal basis only. The role of contracts is disparaged and contracts basically do not play an influential role in increasing procurement. Contracts often do not include the conditions for delivery of products; the sale of building materials, agricultural inventory and industrial goods in high demand and the payment of monetary advances to suppliers are not foreseen in the contracts. Often these agreements "are concluded" at the time the products are delivered and in many cases fictitious documents are drawn up pro forma for fictitious parties.

In Kaluga Oblast the workers of Mosalskaya and Sukhinnichskaya procurement bureaus presented investigators with over 1000 fictitious contracts!

Why even speak of contracts! Everywhere you look people are not even informed about the location and order for the reception of agricultural products, about procurement prices, about counter-sale of goods in high demand and of mixed feeds and about other bonuses that suppliers of these products may receive. Almost everywhere consumer cooperatives do not participate in supplying the population with calves or young fowl. As before, the majority of horticultural and garden partnerships receive no help from them. In a number of unions of consumer cooperatives there have been cases of squandering mixed feeds and goods that are in short supply and that were allocated especially for the suppliers of agricultural products.

The absence in the village of an adequate number of reception points and slaughter houses for livestock has a serious impact on hindering the procurement of agricultural products, especially livestock products. Many of these types of facilities are in a neglected state and unsuitable for normal operation and are not equipped with the necessary technological and refrigerator equipment and inventory. Despite this situation the administration of Rospotrebsoyuz and of the local unions of consumer cooperatives are not taking measures to introduce universal reception procurement points into operation.

The investigation showed that work to select, train and organize the operations of state procurers is poorly organized within the system. In many regions of the RSFSR Non-Chernozem Zone, the Urals, Siberia and the Far East there is one procurer for 5-10 kolkhozes and sovkhozes. He must provide services to 1,000-3,000

households, which is greater than the norm by a factor of 2-6 and does not enable us to fully assimilate the existing resources of agricultural products and raw materials.

Shortcomings in procurement operations of consumer cooperatives are having a serious effect on the condition of cooperative trade in subsidiary products within cities. Even now this trade operates in an uncontrolled manner in many autonomous republics, krais and oblasts. Procurement organizations as a rule do not have plan tasks related to the delivery of meat, dairy, fruit and vegetable products, pickled products and wild fruit to city cooperative trading organizations. Among these organizations contracts are not fulfilled either by volume or by delivery schedule. As a result the market is not provided with stable commodity resources and with reserves of the necessary selection of products for the period between seasons.

As of 1 July 1987 cooperative organizations have been operating according to new management conditions. Nevertheless, even now all of the economic factors that could stimulate procurers to maximally draw products produced by the populations into food resources have not been put into play. As before, the directors of unions of consumer cooperatives, raypo's (rayon consumers' societies) and procurement buros are given bonuses based on quarterly or annual work results only according to the gross index—the fulfillment of plans related to the procurement of agricultural products according to contract prices regardless of the sources and methods of their procurement, the volume of deliveries to cities or industrial processing.

In connection with the inflexibility of many consumer cooperative organizations an experiment carried out in Volgograd Oblast is deserving of attention. Since January 1987 kolkhoses and sovkhozes here have taken on the function of procurer of livestock from the population. This type of practice has turned out to be very advantageous for the population as well as for the enterprise.

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MACHINERY, EQUIPMENT

Republics' Problems in Supply of Agricultural Spare Parts Examined

Lithuanian Officials Cite Problems

18240071 Moscow SELSKAYA ZHIZN in Russian
26 Dec 87 p 1

[Interview by N. Lashkevich, Lithuanian SSR, with LiSSR Gosnab Deputy Chairman R. Tarasyavichyus and LiSSR Gosagroprom [State Agro-Industrial Committee] Agrosnab [Agricultural Supply] Chief Yu. Ashembergus under the rubric "Topical Interview": "In the Grip of the Supplier"]

[Text] *The spare-parts situation in the Lithuanian villages is difficult today. Interruptions in deliveries threaten the disruption of the schedule for repair operations. How*

can matters be rectified? How can the business relations between the collectives of industrial enterprises and the agro-industrial complex be arranged?

That is the subject of our correspondent's conversation with LiSSR Gosnab Deputy Chairman R. Tarasyavichyus and republic Gosagroprom Agrosnab Chief Yu. Ashembergus.

Correspondent: Several years ago, scholars of the Lithuanian Agricultural Academy polled a large number of tractor operators. It became clear that their most vexing problem was the acute shortage of spare parts. Specialists of the NII [Scientific-Research Institute] for the Mechanization and Electrification of Agriculture conducted research and came to the conclusion that almost half of the work time of mechanics was spent not on repairs, but rather on searching for spare parts. As we see, matters have not improved over the years. What explains the incessant and chronic nature of the disruption of deliveries?

R. Tarasyavichyus: The cause, I think, should be sought in the extant management mechanism. It does not stimulate high-quality output, efficient distribution, timely delivery or a high level of equipment operation. The farm collectives have devoted little attention to the problems of equipment, machinery and device upkeep. What for? After all, at any moment they could get a new one. Many still unfortunately reason that way today as well. And the collectives of the industrial enterprises often shut their eyes to the fulfillment of contract obligations. They explain interruptions in supply with objective causes. I have had occasion to visit many enterprises and, to put it bluntly, they leave a distressing impression. Some of them have not adapted to efficient and highly productive work. An inertia of economic thinking and a lack of independence and initiative are also having an effect. In short, it is as if the contradictions that have accumulated over many years in the economy have burst forth today. An acute and very real threat to the timely and high-quality repair of the equipment has thus arisen.

Yu. Ashembergus: I agree. But I think that it is time to produce more reliable models of machinery and equipment that meet world standards. The Minsk Plant can serve as an example. There are almost no problems with the Belarus tractor. The mechanics are satisfied with it. It is simple to operate, requires no complicated repairs and is highly productive. There is correspondingly no problem with spare parts either. The same cannot be said, say, about the T-150K—the creation of the Kharkov Tractor Plant. You can't, as they say, wrangle spare parts for it. The engine and transmission often break down. It is difficult to imagine what the Kharkov people will do with the advent of economic accountability, when the farms won't be buying their products.

Correspondent: What effect is economic accountability having on the supply of spares to the towns? Can it break the existing shortage?

R. Tarasyavichyus: I am sure that it will have a decisive effect on a radical improvement of the supply situation. Economic accountability will require the technical and technological reconstruction of many enterprises. And this is directly connected to high-quality, timely and complete deliveries of spare parts. It will also alter the psychology of the consumer. How was it before? Everyone stocked up for the future, anticipating coming interruptions, and created a distinctive form of trading fund. The "you scratch my back, I'll scratch yours" principle was in effect. In short, whoever grabbed the most was in the saddle. Today the economic conditions force us to take what we need. Why have extra parts, it is asked, if they are not put into circulation?

Yu. Ashembergas: Yes, the enterprises of the agro-industrial complex will bring their desires more into line with their real requirements. Already we feel how the farms of the republic are calculating their requirements more precisely. As for the industrial enterprises, we, the suppliers, are hoping for a higher quality of spare parts. After all, it will be to the plant's disadvantage to produce rejects.

Correspondent: And what is the percentage of reject spare parts delivered to the republic today?

Yu. Ashembergas: They are increasing. There is no where else to go. We rejected almost 50 percent of the products in the lots sent by various enterprises that were checked over nine months. And the plants of the motor-vehicle industry are the leaders in this regard. They supplied over half of the reject spares to the republic. Some 109 manufacturer plants, it was discovered, supply us with poor-quality products. It cannot be denied that these deliveries cost us dearly. They engender paperwork, higher transport costs and penalties. We have to ship in many spare parts over hundreds and thousands of kilometers using our own transport. This is nine times more expensive than sending them by rail. But we do it. Otherwise we wouldn't get them at all.

Correspondent: And so you place great hopes on economic accountability? But let's return to the present day. It is evidently worth naming the enterprises that disrupt contract deliveries with enviable regularity.

R. Tarasyavichyus: It is possible, if it will help matters. There are many, to put it mildly, careless enterprises in the Gosnab system. They are principally the collectives of Minchermet [Ministry of Ferrous Metallurgy], who constantly miss the deadlines for the delivery of metal. The enterprises Dneprospetsstal [Dnieper Special Steels] in Zaporozhye and the Moscow Serp i Molot Plant, for example, regularly send metal to the Vilnyus Fuel-Equipment Plant off schedule. As a result, the enterprises producing fuel pumps for the tractors are operating today, as they say, right off the truck. Deliveries of bearings are being disrupted by the repair-bearing plant in the city of Gnivan in Vinnitsa Oblast.

Yu. Ashembergas: The agro-supply system has a total line of about 72,000 types of spare parts. Approximately five hundred types are in chronically short supply.

Correspondent: I saw the telegrams you sent to the enterprises that owe you and, I must admit, they are literally dazzling. Such a variety...

Yu. Ashembergas: We are in contact with approximately fifteen hundred enterprises. This variety, of course, just aggravates the disagreements and lack of coordination of supply. But it is not we who determine the suppliers. We would, of course, gladly conclude contracts with other enterprises that produce high-quality output, but there are none. Many plants unfortunately possess the monopoly right to produce these or those items...

Correspondent: What spare parts does the republic especially need? And what is the way out?

Yu. Ashembergas: Lithuania, I think, differs little on this plane from the other republics, krais and oblasts. We do not have enough spares to repair water systems and plows. The collectives of Minselkhormash [Ministry of Tractor and Agricultural Machine Building] and Minsstroydormash [Ministry of Construction, Road and Municipal Machine Building] are working poorly. All of this is creating preconditions for irregular winter equipment repairs. And it must be completed by February 1.

There is one way out: the strict fulfillment of delivery obligations. Industry owes much to agriculture. For our part, we are seeing to it that the distribution of the most scarce spare parts proceeds on a realistic basis in accordance with established norms. A computer has been installed in the agro-supply system that indicates in precisely which region of the republic there exist deficiencies in supply and where essential parts should be sent. The question is just where to get them.

Ministry, Plant Answer Lithuanians

Moscow SELSKAYA ZHIZN in Russian 27 Mar 88 p 3

[Unattributed article under the rubric "Answers and Replies—SELSKAYA ZHIZN Follow-Up": "In the Grip of the Supplier"]

[Text] The USSR Ministry of Tractor and Agricultural Machine Building [Minselkhormash] has reviewed the article published under this title that appeared on December 26 of last year.

The unstable operations of a number of enterprises last year has led to underdeliveries of certain types of spare parts to organizations of USSR Gosagroprom. Extreme steps to increase their production volumes are currently being taken. State acceptance has been introduced at the majority of the plants. Minselkhormash Deputy Minister V. Chernov has reported this to the editors.

The article was also discussed in the collective of the Kharkov Tractor Plant, reported enterprise Chief Engineer S. Gudz. The criticism was deemed proper. The Kharkov Tractor Plant fulfilled its plan for the delivery of tractor spare parts last year. But, as is evident from the newspaper feature, there are not enough of them. The transition to direct ties between manufacturer plants and the specialized repair enterprises would facilitate the solution of the problem.

This has been mentioned repeatedly in the press, including in SELSKAYA ZHIZN. The advantages of such ties are indisputable. The manufacturing plant, obtaining information about parts and assemblies with unsatisfactory longevity, has the opportunity of improving the design and the technology of manufacture right away. And the repair enterprise, obtaining skilled assistance, can also repair the equipment right away. The time for seeking the needed spare parts is reduced sharply thereby.

The plant collective feels that raising the technical level of tractors and engines and their service lives, as well as seeking new forms of contact with the customer, should be at the heart of all work under the new management conditions. Only thus can the spare-parts problem be resolved.

Driver Criticizes Parts Situation

Minsk SELSKOYE KHOZYAYSTVO BELORUSSII in Russian No 9, Sep 87 p 7

[Letter from Kolkhoz imeni Falko driver and fitter F.R. Shumilin: "Decisive Measures are Needed"]

[Text] Is this picture familiar to you: a certain enterprise has an interest in growth in production output, while another, in pumping money out of it? This situation is not the fruit of my imagination.

Many will guess that the issue is the mutual relations of agricultural enterprises and rayon agricultural-equipment suppliers. Decisive steps are needed to instill order in them. Over my driving years I have visited quite a few rayon agro-supply firms, and the picture is the same everywhere—dozens of vehicles at the gate, multitudes of specialists scurrying among the warehouses and offices in search of essential spare parts and the necessary resolutions. That's how it was ten years ago, and that's how it is today. What talk can there be of restructuring? They tried to solve a series of questions with the organization of central shipping. So you are familiar with this form of work. But I have heard from no one it is fixing matters. All the same, we have to chase after urgently needed spare parts with our own transport, while the trip is formulated as a central shipment. And central shipment can assist the farms just one day a week, according to the schedule. Can we be reconciled to such a situation? We don't need to restructure, we need to get these organizations here to work. I think that rayon agro-supply has outlived itself. It would be far better to

improve the technical bases of kolkhozes and sovkhozes by reducing them. Build modern maintenance stations in the localities, equip them with the last word in equipment and arrange the supply of spare parts. After all there are quite a few problems with them too. Our engineers have to run around quite a bit looking for needed spares. The impression is forming that an engineer studies for five years to work as a supply worker, or more correctly a "gofer," a chaser after spare parts. When all of this red tape becomes a thing of the past, then we can say that restructuring has borne fruit.

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Gosagroprom Reviews Driver's Letter

Minsk SELSKOYE KHOZYAYSTVO BELORUSSII in Russian No 3, Mar 88 p 15

[Article by N.K. Yermakov, deputy chief of the Main Administration for Material and Technical Supply of BSSR Gosagroprom, under the rubric "Replies to the Editors": "The Future is Being Created Today"]

[Text] The Main Administration for Material and Technical Supply of the BSSR Gosagroprom has reviewed the letter "Decisive Measures are Needed" that was published in No 9 of the journal for 1987 under the general heading "The Future is Being Created Today" and is in basic agreement with the suggestions of driver-fitter F.L. [as published] Shumilin from the Kolkhoz imeni Falko. There really are difficulties in the republic in the supply of spare parts for motor vehicles to enterprises. Our need for cylinder blocks was only 82-percent satisfied by USSR Gosagroprom last year, along with 84 percent for pistons, 64 percent for piston rings, 74 percent for crankshafts and 78 for cylinder liners. An analogous situation is taking shape with the supply of spare parts for motor vehicles this year as well. Moreover, the resources that were allocated in insufficient quantities were used by the former Goskomselkhoztekhnika [State Committee for the Supply of Production Equipment to Agriculture] for its own needs at the maintenance stations. Work to put resources in the warehouses of kolkhozes, sovkhozes and repair plants into circulation was inadequate.

Many of the shortcomings in the supply of kolkhozes and sovkhozes with spare parts are being eliminated with the creation of the rayon agro-supply houses and their delineation as an independent organization. Funds have been passed along to each rayon kolkhoz and sovkhoz agro-supply house this year for such acutely scarce parts as pistons, piston rings, connecting rods, transmission parts etc.

The range of funds allocation for kolkhoz and sovkhoz spare parts has been expanded considerably for 1988 through a reduction in the repair plans for the rayon

agro-equipment shops. The kolkhozes and sovkhozes have begun to receive equipment for creating lines for routine repairs of engines, transmissions and other units and assemblies.

Teams are being created for the immediate delivery of spare parts directly to the farms during spring field operations and harvesting. During the remaining periods, the spare parts are delivered by central shipment. A considerable reduction in the delivery times of spare parts to the kolkhozes by central shipping is envisaged with the transfer of technological motor-vehicle transport to the rayon agro-suppliers.

The industrial enterprises of the republic and the enterprises of BSSR Gosagroprom take orders for the manufacture of acutely scarce parts of a sum of about five million rubles annually to supplement existing resources.

At the same time, a considerable expansion of the product range of the rebuilding of parts and assemblies for which the need is not met is envisaged at the enterprises of the rayon agro-equipment houses and in the shops of the kolkhozes and sovkhozes. This is already being done in Nesvizhskiy, Slonimskiy, Mostovskiy and other rayons.

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Uzbek Farm Equipment Unrepaired
Tashkent SELSKAYA PRAVDA in Russian 10 Feb 88
p 1

[Unattributed article under the rubric "Topic of the Day": "Rejects on the Readiness Scale"]

[Text] "Completely finish equipment repairs by the first of February!" This bold slogan is heard every year from the rostrum and stands out vividly everywhere in the day-to-day life of the Ministry of Agriculture. But no one can recall its actual fulfillment, and the equipment was never ready for spring planting operations at the precisely established time.

The ministry was eliminated and, naturally, the fallacious signs that were typical of it should also have passed into oblivion. But they have, unfortunately, seemingly become an inheritance for the new management organs. The state agro-industrial committee of the UzSSR proclaims loudly each year exactly the same way "Prepare all planting equipment by February 1!" There was no possibility of fulfilling this promise the first two years. All hopes were placed on the third year...

But alas, this hope was also not justified. You can become bitterly convinced of this by getting acquainted with the summary of the UzSSR Goskomstat on the course of agricultural-equipment repairs on the kolkhozes, sovkhozes and interfarm enterprises as of February 1. The promise of eradicated traditions remained just a promise. The target for repairs was not reached in

the republic for a single type of equipment! The readiness of tilling tractors was 86.9 percent, plows 83.6 percent, sowers 97.4 percent, cultivators 82.8 percent and levelers was 96.7 percent. We cannot even mention the repair of wheat reapers and cotton pickers.

It is clear from these figures that there isn't all that much to go to 100-percent fulfillment of the targets. But one must not forget that this "little bit" is the most difficult and troublesome part of the target. Because the stock of spare parts at the disposal of the shops has long since been exhausted, and this means that there is no possibility for the normal organization of repair operations. Imagine what a volume of work will have to be done to reach the 100-percent fulfillment of the target—there are still 5,173 tilling tractors, 6,378 plows and over a thousand sowers to be repaired in the republic.

All of this provokes serious alarm. Only a few days remain until spring. The sowing of early corn and alfalfa in southern Uzbekistan will begin any day now. It is all the more striking that in Surkhan-Darya and Kashkadarya, the readiness of tilling tractors (84 percent) lags behind the republic level. Only 80 percent of the plows have been rehabilitated there. More than 1,300 plows are still awaiting repair in both oblasts.

In the Karakalpak ASSR [KKASSR] and Khorezm Oblast, the tilling of planting areas is done principally in the spring—this is required by the local soil and climatic conditions. One must begin tilling as soon as the soil is "ripe." All soil-working machinery must be in complete combat readiness for this. However, only 80.8 percent of the tilling tractors have been readied in the autonomous republic and 86.2 percent in Khorezm Oblast. But this circumstance for some reason does not alarm the responsible colleagues from the agro-industrial committees on the spot. It looks like they are hoping that spring will perhaps tarry a little.

Sowers are used for 30-40 days a year and not more, as is well known. But it seems that even over such a short season they evidently get so broken down that they cannot be rehabilitated over the other 10-11 months. We cannot say how true this assumption is. In any case, all of the oblasts except Andizhan, Namagan and Kashkadarya oblasts have been unable to reach 100-percent readiness for the sowers. A considerable portion of the sowers need repairs in the KKASSR and Fergana Oblast.

The peasants have quite a bit of difficulty every year at the very height of field operations due to the poor repair of equipment. Tractors fixed up in haste, sowers repaired off-handedly and other equipment breaks down at the peak of hard work, or was not able to work even a single day. And a multitude of people struggle with it to put it to work again.

Objectively speaking, the errors of past years are being repeated today as well. The people's inspectors and quality commissions uncover defects in the repaired

machinery and equipment. And after all, they are all mentioned in the reports on the scale of readiness. The reason for the poor quality of repairs is not only a shortage of spare parts, but also a lack of normal working conditions in the shops.

There is much work in the fields for the cultivators in the spring as well. In Surkhan-Darya and Kashka-Darya oblasts, however, they have yet to repair a thousand cultivators apiece, while the KKASSR has 2,000 not ready for operation. The repair of various pumps has also not been organized satisfactorily.

In short, yet another assurance of the republic Gosagroprom (Deputy Chairman V.S. Kolenko) is at odds with the facts. Spring has its laws—it does not wait. You have only yourself to blame if you are late! You will lose out in the harvest.

Uzbek Gosagroprom Reports Improvements
Tashkent SELSKAYA PRAVDA in Russian 20 Mar 88
p 2

[Unattributed article under the rubric "Replies to SELSKAYA PRAVDA": "Rejects on the Readiness Scale"]

[Text] This was the title of a feature published in SELSKAYA PRAVDA on February 10 of this year under the rubric "Topic of the Day." It discussed the fact that, notwithstanding the steps being taken, in certain oblasts and rayons the equipment was being prepared for spring field operations too slowly. And, most alarming, the major portion of the tractors, plows, sowers and other equipment numbered among what had been repaired could not in fact go out to the fields, since quite a few defects had been discovered on them in inspection. And after all, this can lead to delays in sowing and a reduction in its quality.

A.V. Khakimov, the deputy chief of the Mechanization and Electrification Administration of UzSSR Gosagroprom, reported to the editors that the newspaper feature

was discussed at a session of the party buro of the main administration. It was noted there that the feature justly illuminated questions of the preparation of equipment for the spring.

Thanks to the attention and assistance rendered by the Central Committee of the Uzbekistan CP and the oblast and rayon party committees, the preparation of the whole spring complex of agricultural equipment has currently been completed. The readiness level of sowers has been brought to 99 percent, including 99.9 percent for cotton sowers. Some 90 percent of the tractors will be able to go into the fields now.

The farms are lagging somewhat in the preparation of cultivators. They were 90.4-percent ready as of February 16. This was caused by the fact that they were unable to handle the repairs in the Karakalpak ASSR and Surkhan-Darya and Khorezm oblasts. The rate of cultivator repairs in those oblasts has now been increased.

The acceptance of repaired equipment by the commissions and the running in and adjustment of sowing units are now being completed on the kolkhozes and sovkhozes.

All of the workers freed up after the completion of preparations on the sowing equipment have been shifted to the repair of harvesting combines. All of the existing capacity of rayon repair enterprises has been brought into this work. Specialized plants and shops have been converted to a two-shift operating regimen. Gosagroprom regularly sends responsible workers from the central apparatus into the field. Assistance to lagging farms in repairing engines, units and assemblies at special enterprises and the rehabilitation of worn-out parts has been strengthened.

The repair schedule has been reviewed with a regard for eliminating the lag times that have been tolerated in order to bring the readiness level of harvesting equipment to the required level by April 1.

12821

POLICY, ORGANIZATION

Gosplan Official on Reform in Construction Industry

18210009 Moscow *PROMYSHLENNOYE STROITELSTVO* in Russian No 4, Apr 88 pp 2-4

[Article by USSR Gosplan Deputy Chairman V.M. Serov under the rubric "Toward the 19th All-Union Party Conference": "A New Stage of Radical Reform in Construction"]

[Text] Major steps are being taken in construction, as in the whole national economy, to reinforce economic accountability, raise the economic vested interest of all participants in the investment process and unify the interests of the collective and every worker.

The plan for 1988 envisages the assimilation of total capital investment on the scale of 202 billion rubles and construction and installation work of 101.4 billion rubles. The start-up of new housing has been established at 128.9 million square meters of living space. Over 60 percent of the country's construction organizations will convert to economic accountability [*khozrashchet*] and self-financing this year.

The practical results of the first steps of restructuring the mechanism of economic operation in construction can be summarized as follows.

Growth in labor productivity in construction was 13.7 percent over the whole 11th Five-Year Plan and 10.8 percent over two years of this five-year plan, and even higher for the principal construction ministries. The actual annual volumes of contract work over the two years of this five-year plan grew by almost 11 percent. The growth rate of the start-up of fixed capital and the rate of increase in capital investment were 6 and 4.4 percent respectively over 1987.

But all of this is principally the result of somewhat of a rise in discipline and organizational steps that were taken to improve the management structure of construction production. There were no profound qualitative changes in investment policy. The reproductive structure is improving too slowly, and scientific and technical progress has in fact not become an indispensable part of new construction and reconstruction, in connection with which the efficiency of capital investment remains extremely low. An increase in proportionate capital investment per unit of capacity is continuing, increasing, for example, by 1.5 times in the power, petroleum and coal industries and 1.7 times in ferrous metallurgy. The materials-intensiveness of capital construction has hardly been reduced at all.

A most important factor in raising the efficiency of capital construction is the restructuring of planning in the investment process. Planning methods for the formation and distribution of investments are a powerful and

simultaneously flexible lever for influencing the economy. And practically all aspects of the "new philosophy" of planning are thus reflected in planning it.

In planning investment, it is essential to resolve issues of capital construction, upkeep, repair, utilization and withdrawal of capacity and fixed capital as a whole. This explains, in particular, the changes that were made in the organizational structure of USSR Gosplan. The sequence of the work being done today was defined by the June (1987) Plenum of the CPSU Central Committee.

A conversion to the organization of planning work from primarily administrative methods to economic ones has fundamental significance, since 85-90 percent of capital investment and almost 100 percent of the volume of contract work up until recently was distributed in centralized fashion, i.e. administratively.

Some 69 percent of capital investment and 81 percent of contract construction and installation work were allocated in centralized fashion in 1988.

The task remains of determining a scientifically substantiated and comprehensively balanced scale for the fund for expanded socialist reproduction and the optimal correlation of its components that are formed both through the funds of enterprises and from centralized sources. The ways of resolving this task are fundamentally clear: centralized capital investment is defined by the necessity of creating fundamentally new types of production, resolving social, intersector and regional problems and reinforcing the defensive capability of the country and its economic independence, while investment in the expansion and reconstruction of production and the social development of labor collectives is a measure of the profit-and-loss income of enterprises.

The practical accomplishment of this task is not a simple matter and will be determined largely by the quality of development of the five-year plan itself, its balance and the quality of the formation of state orders and, especially, of economic standards. The task is being posed of strengthening the principle of centralization in planning with a simultaneous expansion of the rights of enterprises, arising out of the Socialist Enterprise (Association) Law. Under today's conditions, this task is complicated even further, since the plan must be restructured within the framework of a five-year plan that has already been approved that was developed using older techniques without eroding its original proportions and ensuring the achievement of the goals posed in the plan therein. This work—the process of restructuring—has to be carried out on the go, on the march, as it were.

The increase in the independence of enterprises and associations in investment activity granted to them by the Enterprise Law should doubtless play a role here.

Economic standards are taking on extremely important significance under the new conditions, and they should be stable until the end of the five-year plan and grant scope for economic initiative. The standards for the formation of the fund for the development of science and technology, the social-development fund and the material-incentives fund, the standard for deductions from profits to the budget and the wage standard for workers employed in construction are regulated in centralized fashion by economic proportions in the national economy.

The standards for deductions to the economic-incentives fund were formed under conditions of an approved five-year plan where the basic proportions and volumes of capital investment, the financing of the technical development of production and social development and the amounts of receipts to the budget were defined. One of the chief conditions, by the way, for passing standards along to the enterprises is ensuring stability and strengthening the five-year plan, not permitting the weakening of the plan through standards.

The development of standards was one major and difficult problem in developing the plan for 1988. A very crucial stage had arrived—the standards had been passed along to the enterprises. Much here depends on the ministries and local organs, on what practical assistance they render to construction collectives in their work under the new conditions.

The chief cause of the great incoherence of standards among construction organizations and industrial enterprises is the diversity of profitability levels in organizations that had taken shape by the time of their conversion to full economic accountability. A high level of profitability among enterprises, like a low one, is moreover not always the result of their better or worse work under today's conditions, but is rather largely conditioned by the level of technical sophistication that the enterprises have achieved and the amount of funds invested earlier in the technical retooling of production, as well as the extant price levels for raw materials and finished output. This predetermines the inevitability of a broad differentiation of economic standards among enterprises which, at first glance, is inequitable and puts economic incentives for enterprises on unequal terms. Under concrete conditions, when the five-year plan has been approved, the incoherent nature of standards among enterprises is economically inevitable, and differentiated standards, as it were, equalize the unequal conditions of economic incentives for enterprises.

The difficulties of forming standards are connected not only with the resource conditions and limitations assigned in the plan, but also with the course of plan fulfillment and the financial state of the enterprises.

Coordinating the development of the production and social spheres and the whole infrastructure is becoming an immutable principle in the development of capital-investment plans, and first and foremost in the formulation of the lists of enterprises and facilities included in

the state plan through centralized capital investment. The simultaneous allocation of funds for dedicated purposes for the creation and development of the social sphere proceeding from approved and scientifically substantiated social standards for supplying the population with housing, hospitals, schools, kindergartens, clubs and other facilities in the non-productive sphere is envisaged.

Another difficult and acute problem should also be mentioned: managing the investment process under the new conditions in connection with the conversion of ministries, departments, enterprises (associations) and organizations to complete economic accountability and self-financing. We are encountering a new situation in the production sphere. This is questions of managing the process of putting production capacity and facilities into operation from decentralized sources.

On the one hand, positive trends have been noted (at some enterprises of USSR Minpribor [Ministry of Instrument Making, Automation Equipment and Control Systems]): a striving for an economy of resources, a transition to two- and three-shift operation and providing for the planned growth in production with the least capital investment. On the other hand, enterprises are not displaying a vested interest in increasing capacity. Such trends cannot fail to cause notice and require new approaches to solve them. A search for new ways is needed under these conditions. The whole technique of plan development is being elaborated today. The plan should be developed earlier, and the essential economic solution must be sought in the course of its formulation.

The practice of planning for construction operations being executed under contract and in-house methods is being radically restructured.

The overall program for contract construction and installation work for the all-union and republic construction ministries consists of two parts: the specific facilities for production purposes of the all-union and union-republic ministries and departments of the USSR (formed by USSR Gosplan) and facilities in the social and cultural sphere regardless of departmental affiliation, as well as production facilities of republic and local subordination (determined by the councils of ministers of the union republic).

The most important direction for improving the mechanism of economic operation in construction is reinforcing contract relations among all of the participants in the investment process. It has been established that an evaluation of the operational production activity of construction and installation organizations is accomplished according to the results of the fulfillment of contract obligations. The amount of contract operations is preserved just as a foundation for the conclusion of contracts and for calculating requirements for material and technical resources and indicators for labor and profit.

The new mechanism of economic operation assumes a strengthening of centralized planning with a simultaneous expansion of the rights of the councils of ministers of the union republics and the local soviets of people's deputies.

An increase in the role of the center will be ensured first and foremost through the system of state orders. In construction, this is the assignment of contractor organizations for the placement of production capacity into operation according to a range of the most important types of products for the national economy as approved by the USSR Council of Ministers. The target for the placement of housing, hospitals, polyclinics, schools, pre-school institutions and other social and domestic facilities is set by state orders, but can also be determined by the councils of ministers of the union republics.

The state orders for 1988 have established the most important types of production capacity for the construction-ministry contractors to put into service, financed not only through centralized state capital investment, but through other investment sources as well. This has been done so that the process of creating the production potential of the country, in which individual enterprises (associations) will now participate using their own funds, can be monitored by the state.

Prospective plans for the development of the material and technical base of construction and the construction industry based on plans for the development and disposition of productive forces provide for the systematic development of the construction base and an organic link between production-development plans and capital investment. State centralized capital investment will be allocated for those purposes and standards for the formation of operational funds will be established proceeding from the necessity of rapid growth of the construction base. A halt to the practice of financing such operations based on the shared participation of the client ministries is being proposed for the 13th Five-Year Plan in this regard.

In speaking of a restructuring of the process of investment planning, especial attention must be devoted to territorial aspects of it. It is well known that the serious shortcomings that have accumulated in the disposition of productive forces were largely a consequence of the low level of territorial planning, a strengthening of petty local barriers and a weakening of the responsibility of the ministries for substantiating the disposition of sectors with a regard for the requirements of regional development. A whole set of planning, organizational, financial and economic measures has been projected to surmount these shortcomings that is summoned to restructure the mutual relations of the union sector ministries and departments and the republic organs along with local management organs and all-union enterprises, as well as to provide for an efficient combination of sector and territorial planning. A considerable expansion of the

rights of the councils of ministers of the union republics and local organs in managing the economic and social development of republics and regions is also envisaged.

Beginning this year, centrally distributed material resources, state centralized capital investment and construction and installation operations for the development of the republic economies are envisaged for the republic as a whole without their distribution among sectors and areas. The integral allocation of funding and resources is being preserved just for the development of the agro-industrial complex, the republic construction ministries or the state committees for construction affairs of the union republics. The management of all social and cultural construction, as well as the coordination of the activity of enterprises (associations) and organizations of all-union, union-republic and republic subordination in this sphere operating on the territory of the republics, will be accomplished by the councils of ministers of the corresponding union republics. They also coordinate the development of the social sphere from all sources of financing and are responsible for the fulfillment of plans for the construction of facilities in this sphere by regions and for the republic overall. The most important thing here is the transition to comprehensive planning of the economic and social development of the union and autonomous republics, krais and oblasts.

A few words regarding the plan for capital construction for 1988. The plan has been developed in strict accordance with the targets of the five-year plan, proceeding from the resolutions of the directive organs on strengthening the social thrust of the plan and the provisions of the State Enterprise Law.

Fundamentally new approaches to the development of the capital-construction plan have been realized for the first time: USSR Gosplan made decisions only regarding construction projects under state orders; responsibility for plan formulation in the social sphere was charged to the councils of ministers of the union republics; the consideration of draft plans on the basis of the five-year targets was organized by the local soviets. This made it possible, based on a deepening of the degree of plan study, to raise its quality, markedly reduce the time period for development and avoid subjective decisions to a considerable extent, especially on petty issues that were earlier taken up in the center.

The development of a draft plan for 1988 showed the increased vested interest of enterprises in the development of the social sphere, and moreover in many cases to the detriment of the development of production capacity. The optimal proportions on this issue should be found and scientifically substantiated standards should be established.

The capital-construction plan for 1988 could have had considerably higher indicators if the resolutions of the 27th CPSU Congress had been fulfilled. The ministries

and departments are striving as before to begin the construction of new production facilities when the reserves of existing production capacity have not been fully utilized, and having begun construction (frequently the creation of new capacity reserves), they do not hurry to put them into operation. New jobs are created in regions with a shortage of manpower, which predetermines in advance the impossibility of achieving the planned technical and economic indicators for the enterprises built.

The plan for construction and installation operations is balanced with material and technical supply with the fulfillment of quite rigid targets for the economy of resources. At the same time, the machine-building ministries are hindering the creation and delivery of systems of machinery and devices for the comprehensive mechanization of construction and installation operations, especially under the conditions of a reconstruction of existing enterprises. Progressive types of rolled metal, including galvanized steel sheet, as well as efficient plastics, resins, polymers, timber products etc., are being supplied to the construction industry in insufficient amounts. A real impact from the planned economy of construction materials is not evident, as a result of which a strained situation is taking shape with the supply of cement, wood products and rolled metal to construction. At the same time, reserves of materials in construction organizations are increasing rather than decreasing. Just bringing them into line with the standards would free up over 1 million tons of cement and 200,000 tons of metal.

USSR Gosstroy [State Committee for Construction Affairs], in conjunction with USSR Gosplan, USSR Gossnab, the councils of ministers of the union republics and interested ministries and departments of the USSR, has developed a "Comprehensive Program for Ensuring Balance in the Planning of Construction and Installation Work for 1988 with Material and Technical Supply" to ensure balance between the planning of construction and installation operations and material and technical supply for them.

This program envisages broad-scale measures for resource conservation and the fuller utilization of existing production capacity, as well as the accelerated development of capacity for the output of scarce construction materials and equipment for construction-industry and building-materials enterprises.

The idea of the decisive rejection and prohibition of the realization of projects that do not meet the tasks of accelerating scientific and technical progress was advanced at the June (1986) Plenum of the CPSU Central Committee, and if progressive equipment does not exist today, then it is necessary "to put off reconstruction for two or three years and arrange the output of efficient equipment, and then make up for what was omitted on a new production basis."

Proceeding from the decisive role of investment policy in the formation of the economy of the future, all ministries and departments must be guided by this immutable requirement, so that the plans include only those construction facilities and planning, technical and economic specifications that would correspond to the highest contemporary and forecast scientific, technical and economic achievements. USSR Gosplan will be unwaveringly guided by these provisions in the formulation of construction programs.

The technical and economic indicators of over 20 percent of the construction projects for industrial purposes were deemed as not corresponding to contemporary requirements in the formulation of title lists for construction projects newly begun in 1988 despite the review conducted by USSR ministries and departments and the councils of ministers of the union republics and the additional expert analysis done by departments of USSR Gosplan.

USSR Gosplan thus rejected and sent back for refinement the plans for the construction of enterprises by USSR Minlesbumprom [Ministry of the Timber, Pulp and Paper, and Wood Processing Industry], USSR Minstankoprom [Ministry of the Machine Tool and Tool Building Industry], USSR Minlegpishchemash [Ministry of Machine Building for the Light and Food Industry and Household Appliances], USSR Ministroyaterialov [Ministry of the Construction Materials Industry], USSR Minlegprom [Ministry of Light Industry], USSR Minrybkhoz [Ministry of the Fish Industry] and some others, notwithstanding the fact that according to the plans, these construction projects already had the resolutions of expert analysis and the approval of the ministers on the conformity of the planning solutions to the contemporary requirements of scientific and technical progress.

It is completely impermissible when new plans do not utilize progressive base technologies and continue to employ outdated equipment. This leads to low production efficiency and labor productivity, the creation of excessive amounts of buildings and structures, the inefficient utilization of construction and installation operations and strains in supplying construction with material resources.

Many workers of the ministries have a poor command of the data on the highest world standards of production and have an irresponsible attitude toward it. They frequently assert the conformity of technical and economic indicators of facilities to the progressive achievements of science and technology, which upon closer analysis proves to be completely unsubstantiated. According to this principle, the expert analysis of USSR Gosstroy is returning every other draft plan to the machine-building ministries for refinement.

According to the results of a selective analysis of the draft plans of machine-building enterprises done in 1986-87, an excess of more than 200 million rubles of capital investment was detected along with 16,000 tons of rolled metal, 28,000 tons of cement and 4,250 workers at the projected facilities.

The harmful practice of reviewing draft plans with an increase in the estimated cost of construction and, frequently, with a worsening of the technical and economic indicators is continuing. Over the preceding period of the five-year plan, the cost of construction of production facilities with an estimated cost of 4 million rubles and up increased by over 2.2 billion rubles for this reason.

The poor quality of draft plans is largely determined by the fact that restructuring has only lightly touched the planning industry. It is still based on a standards-methodological base and the level of organization and management that took shape in the period of extensive development. Individual solutions for improving it are of a fragmentary nature and are proving to have little effect.

The experience of developing a draft plan for the 12th Five-Year Plan and for 1986-88 shows that the tasks facing all of the participants in the investment process are exceptionally difficult. It must be acknowledged that we sometimes resolve them by the trial-and-error method, which often comes at a high price. That is why the need to master the economic laws of our development is more topical now than ever before.

A search for ways of radically improving the utilization of capital investment and raising its efficiency as a most important condition of the socio-economic development of the country remains at the center of attention of all of the participants in the investment process. This work was begun and should be done in the shortest possible time period in conjunction with the central economic organs and, without fail, with the involvement of science and the sector and republic organizations with a vested interest. The quality of this work depends on the people, on the personnel at all levels.

"Ideas in general," Marx wrote, "cannot accomplish anything. People who make use of practical force are needed for the accomplishment of ideas" (K. Marx, F. Engels. Works—2nd edition—Vol 2—p 132). This idea has a direct relation to our work in restructuring the mechanism of economic operation as well.

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BUILDING MATERIALS

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[Article by S. F. Voenushkin, USSR minister of the Building Materials Industry: "On the Verge of a New Stage in Restructuring"]

[Text] The Soviet people, solving the strategic problem of accelerating the country's social and economic development put forward by the Communist Party, confidently follow the path of revolutionary restructuring of our society, the path of radical transformations in all the spheres of their life—economic, social, and spiritual.

The past 2 years of the 12th Five-Year Plan were the first stage in restructuring. Even at this initial stage in restructuring, when basic directions in work according to the new system were being selected and new principles and methods of management were being tested under real conditions, the great opportunities opened up by the processes of renovation of the economic mechanism and democratization of economic management were revealed with all obviousness.

The results of 1987 and, on the whole, of 2 years of the five-year plan convincingly testify that the Soviet people perceived the ideas and goals of restructuring as a matter of vital concern to them and in the fight for their realization achieved tangible changes in the national economy and in the solution of social problems. This found a concrete expression in an increase in the rates of public production, rise in the indicators of its economic efficiency, and a more decisive introduction of the achievements of modern technology and engineering, which made it possible to raise labor productivity significantly and to improve the qualitative structure of output. The share of capital investments allocated for the retooling and reconstruction of enterprises increased, which was one of the decisive factors in economic intensification. The population's standard of living rose. The scale of construction of housing and of projects for cultural-domestic and municipal purposes increased greatly.

Certain positive shifts also occurred in the building materials industry, which during preceding years, despite the economic patterns, lost the outstripping rates of growth as compared with the volumes of construction work in the national economy. The stagnant phenomena characteristic of the country's entire economy in the past had a very perceptible effect on its development. The errors and miscalculations in planning and overestimate of the attained level of production and provision of construction with basic material resources led to a deterioration in the condition of fixed industrial capital, to its unsatisfactory use, and to a lag in the commissioning of new capacities. The sector's technical progress slowed

down. The requirements of social construction and the increasing demand for materials for numerous rural construction projects, individual construction, and the population's domestic repair needs were not taken fully into account.

What was done at the first stage in restructuring to overcome our industry's lag and to give an impetus to the acceleration of its development?

The initial period of restructuring in the industry is characterized by two main directions. The first is the all possible mobilization of reserves, on which a fuller utilization of the existing production potential depends directly, such as strengthening technological discipline, eliminating disorders in labor organization, undoing bottlenecks in production, and eliminating losses of work time, material resources, and so forth; in other words, everything that makes it possible to increase the results of economic activity significantly in a short period.

The other direction is the development of large-scale measures of a technical and organizational nature, which open up for the near and distant future great opportunities for a leap forward in the growth and qualitative transformation of production on the basis of the latest scientific and technological achievements. These kinds of measures were developed during the preparation of plans for technical progress for the 12th Five-Year Plan. A number of decisions and decrees envisaging for 1988-1990 and the subsequent period specific assignments for accelerating the development of individual industrial sectors and for reconstructing, expanding, and building

new enterprises fitted out with first-class equipment with a high level of mechanization and automation and major structural shifts in the products list were adopted recently. All this is aimed at making fundamental improvements in the technology and economics of production and at providing capital construction in a sufficiently full volume with high-quality materials, both traditional (cement, slate, nonore materials, and structural clay products) and advanced, new articles, parts, and structures made from asbestos cement, gypsum, cellular concrete, mineral fibers, polymers, and so forth, as well as economical and comfortable types of sanitary engineering equipment, instruments, and household articles.

Undoubtedly, a definite improvement in the basic indicators of the industry's production and economic activity was attained at the first stage in restructuring. During the past 2 years of the five-year plan enterprises under the system of the USSR Ministry of the Building Materials Industry fulfilled and in a number of items overfulfilled the plans for the production of most types of products and operated more stably and with better economic results than earlier. The rates of increase in the total volume of production, labor productivity, and profit exceeded the assignments of the five-year plan for these years and, as compared with the 11th Five-Year Plan, doubled or tripled. In 1987 alone labor productivity rose 7.1 percent in relation to the 1986 plan. The entire increase in industrial output was due to its rise.

The basic indicators of the industry's work in 1987 and the dynamics of growth concerning the production of key types of materials and articles are presented in the table.

Indicator, unit of measurement	1987		
	Average annual production in 1981-1985	report	percent of average annual production during the 11th Five-Year Plan
Commodity output, million rubles	11.7	13.2	112.2
Cement, mill. tons	117	126.6	108.2
Slate, bill. standard tiles	7.5	8.3	112.1
Window glass, mill. square meters	243	249.9	102.8
Rolled roofing materials, mill. square meters	1696.6	1887	111.2
Ceramic tiles, mill. square meters	67.5	76.7	111.5
Construction faience, thousand units	9723	10685	109.8
Radiators, thous. kw	19503	20773	106.5
Baths, thous.	2202	2479	112.6
Linoleum, mill. square meters	46	58.6	127.4
Wall materials, bill. standard bricks	35.3	37.5	106.3
Nonore materials, mill. cubic meters	200.9	224.8	111.9
Mineral cotton and articles from it, mill. square meters	9.5	10.8	113.3

As can be seen from the table, the absolute amounts and rates of increase in the production of materials and articles most widely used in construction are much higher than the average annual indicators during the 11th Five-Year Plan. It should be kept in mind, however,

that the level of provision of construction with basic material resources remains insufficient and the shortage of some materials persists and is even aggravated. At the same time, it should be stressed that, despite the attained production growth, the 1987 plan for the output of a

number of important types of materials and articles was not fulfilled. They include building brick, rolled roofing materials, and window glass, as well as baths and some other articles.

Evaluating the industry's work during the past period from the point of view of the demands placed on it under present conditions, it should be taken into account that the need of the national economy for building materials is growing more rapidly than the volumes of capital construction in the country. This is due to the change in the structure of capital construction, in which the construction of housing and cultural, domestic, educational, and public health projects, that is, everything that is the most important component in the implementation of the social policy determined by the general party line and the decisions of the 27th CPSU Congress, acquires an ever more significant proportion.

It is well known that construction in the social sphere is characterized by a predominant volume of construction work proper. Here more materials and products are required for the construction of building walls and internal partitions, for finishing work, and for equipping houses with sanitary engineering articles and household appliances.

This obliges workers of all the sectors and enterprises of the building materials industry to search with increasing energy and creative aspiration for additional, new potentials for the growth and improvement of production and the expansion and renovation of the products list.

It should be noted, however, that the certain recent improvement in the industry's work indicators as a whole gives no reasons to believe that the potentials for accelerating its development, including those on the surface, have been activated. An analysis of past year's results shows that as yet restructuring is proceeding slowly and the attained results are below possible ones.

There is still a considerable number of enterprises not fulfilling plans for the output of products and their deliveries to consumers. The number of those that do not cope with profit assignments is even bigger. The inefficient utilization of capacities at a number of plants, equipment downtime, breakdowns, and overexpenditures of funds and resources—also earlier all these had an extremely negative effect on the indicators of production and economic activity at many enterprises. Now, however, when the entire industry and each of its enterprises have changed over to the new conditions of management and can develop only on the basis of the self-financing principle, a disruption in any link and in any section becomes completely intolerable. It inevitably involves serious consequences not only for a given plant and its collective, but also for subcontractors, for the entire sector, and for the system of normal economic relations in the national economy.

Let us take the following example. Last year the industry produced more than 1.1 million tons of cement in excess of the plan. Plants began to operate more smoothly, the operation of equipment improved, the coefficients of its utilization rose, and reprimands in connection with underdeliveries decreased significantly. However, there are plants, which continue to operate with big interruptions and disruptions for a long time. Three enterprises of the Main Administration of the Cement Industry alone—the Slantsy Plant, the Shchurovskiy Plant, and the Bryansksement Association—failed to deliver more than 270,000 tons of cement last year. Other enterprises had to cover their debt to builders and stably operating collectives had to make up for their deficiencies in economic activity. The Kaspi Cement-Slate Combine in Georgia lags chronically. Last year it owed 150,000 tons of cement. In what position were the republic's construction projects placed if the underdelivered amount of output was on the order of 10 percent of the total cement balance? Need one talk about the situation that was created at the combine itself, whose production and economic activity proved to be completely disorganized?

As a critical analysis of 1987 results shows, there were and still are many enterprises, which systematically do not fulfill planned assignments and operate with low technical and economic indicators, in asbestos-cement, roofing, and glass industries and in the production of sanitary engineering equipment and, especially, local building materials.

The Salavat Industrial Glass Plant, the Tokmak Plant (Kirghizia), and the Ashkhabad Glass Combine underdelivered a big quantity of sheet glass; the Dushanbe Asbestos-Cement Articles Combine and the Yashkino (Kemerovo Oblast) Cement-Slate Combine, slate; Uchaly (Bashkiria) and Gardabani (Georgia) cardboard-ruberoid plants, rolled roofing materials; the Lobnya Construction Porcelain Plant of the RSFSR Ministry of the Building Materials Industry, sanitary ceramic articles; the Kaytra Sanitary Engineering Articles Plant of the Main Administration for the Sanitary Engineering Equipment Industry and others, baths. Builders in urban and rural areas failed to receive many millions of bricks owing to the extremely low level of utilization of production capacities, mainly at newly commissioned enterprises, as a result of construction defects, the slow mastering of capacities, and the shortage of operating personnel.

Now, when enterprises have been transferred to full cost accounting, every lagging plant will immediately begin to experience the most serious difficulties. There will be no funds to pay for raw materials and fixed capital, to settle accounts with suppliers, and to pay wages in time, not to mention the fact that it is completely deprived of incentive funds.

A conclusion should be drawn from all this now, at the beginning of the first year of work of the entire industry under the new conditions: In every sector it is necessary

to analyze in the most careful manner the operation of plants that continue to lag, together with councils of labor collectives to develop effective measures to ensure an efficient and smooth fulfillment of plans for the production and deliveries of products to consumers, to undertake persistently and without delay the elimination of all shortcomings in the organization of production processes, and to strengthen discipline and order. Of course, all the necessary help on the part of start-up and adjustment, as well as planning and design organizations, should be given to collectives and full attention should be paid to their material and technical provision and financial status.

During the 3d year of the 12th Five-Year Plan the industry faces big and important tasks. It is not only a matter of significantly increasing production volumes and high assignments for the further growth of labor productivity and profit and rise in all qualitative and economic indicators. The main characteristic of this year is the fact that at its beginning the USSR Law "On the State Enterprise (Association)" was put into effect and that our entire industry and all its sectors and enterprises should operate on the basis of full cost accounting and under self-financing conditions. At the same time, a success of the common cause can be ensured if the best enterprises, which are in the vanguard, continue to operate with high indicators and if heretofore lagging ones are able to improve the results of management significantly in a short time.

Giving up the gross principle of economic planning and management is the distinctive feature of the economic reform. It is replaced by new concepts and new requirements and evaluations. The state order, which includes output of the greatest national economic importance, becomes the decisive indicator in planning. In the country's leading raw material and basic national economic sectors the state order for 1988 includes virtually the entire output envisaged by the five-year plan for this year. This also applies to the production of all basic types of building materials, taking into account the need to most fully meet the demand of capital construction and the country's entire national economy for them.

For this year the state order for cement, as envisaged by the five-year plan, totals 126.6 million tons (at plants of the system of the USSR Ministry of the Building Materials Industry). With respect to other materials and articles (also in full accordance with the five-year plan) the assignments are as follows: slate, 8.4 billion standard tiles; construction glass, 285 million square meters; ceramic tiles for internal facing of walls and floors, 56.4 million square meters; wall materials, 38.7 billion standard bricks (500 million more than the five-year plan); nonore materials, 221 million cubic meters; linoleum, 53.9 million square meters; construction faience, 10.8 million units; heating radiators, 20.8 million kw; baths, 2.52 million.

Taking into account that with respect to all the main types of materials and articles the state order for 1988 reaches virtually 100 percent of the previously planned production volume, many labor collectives have assumed additional obligations for the output and deliveries of products. This expresses the striving on the part of workers, engineering and technical personnel, and economic managers to utilize most fully the levers and possibilities for developing production, improving economic indicators, and on this basis solving social problems, as this follows from the Law on the State Enterprise. All the assumed obligations should give a highly significant increase in output: for example, 2,150,000 tons of cement; 165 million standard slate tiles, 12 million square meters of rolled roofing materials, 7 million square meters of linoleum, 370,000 baths, and so forth. Planning and supply bodies and the ministry, proceeding from the national economic importance of obtaining additional quantities of the mentioned and other materials, made a decision to provide enterprises with the necessary material and technical resources. In all economic management links it is necessary to organize matters so that labor collectives could confidently and uninterruptedly fulfill both the state order and the additional obligations assumed by them.

Throughout the ministry's system the state order for the production and deliveries of products envisaged for 1988 makes up about 65 percent of the total volume of commodity output envisaged by the annual plan for the 5-year period. This enables plant collectives, economic managers, and specialists to manifest their independence and initiative widely in the solution of all the problems concerning the most efficient loading of production capacities, determination jointly with consumers of the requirements for the list and quality of products, and search for additional possibilities of improving the organization and results of management. However, the role of centralized services for planning, technical assistance, supply, and others also remains high and crucial in this case. Their harmonious and efficient operation will determine to a significant extent the operation of plants, combines, and quarries under the new conditions.

Avoiding petty tutelage and supporting and developing the initiative and independence of enterprises and democratic principles in production management, it is necessary to help labor collectives in every possible way to better and more fully utilize the potentials for increasing output, ensuring a smooth fulfillment of production and delivery plans, and improving existing and introducing new technological processes. Scientific research institutes and planning and design, as well as start-up and adjustment, organizations should be actively enlisted in the solution of these problems.

The sector's transfer to full cost accounting and self-financing was preceded by extensive preparatory work at all the levels of economic management—from the plant to the ministry. A set of measures aimed at enhancing

production efficiency and the quality of output, improving labor organization and incentives, and training personnel were implemented according to specific programs at most enterprises.

The human factor and development of democratic forms of administration are decisive in the attainment of high management results. In our opinion, the holding of a seminar-conference attended by secretaries of party committees of the sector's enterprises at the end of last year was very important in this respect. There was a wide exchange of opinions on urgent issues and problems concerning the industry's transfer to full cost accounting. It was revealed that a great deal was done for this, but there was a need to persistently continue the expansion of the personnel's economic outlook and to inculcate in them habits of independence in the solution of economic and technical problems with an orientation toward the attainment of high final results. This work should also be done with all persistence now, at the crucial, new stage in restructuring.

As is well known, in order to develop the new mechanism of management with due regard for sectorial characteristics, four enterprises of various sectors of our industry were transferred to full cost accounting and self-financing as of 1 January 1987. All of them ensured a 100-percent fulfillment of contractual obligations and higher rates of production growth and indicators characterizing production efficiency as compared with average sectorial ones. As a result of implementing the developed organizational, technical, and economic measures, they ensured a full utilization of production capacities. Owing to this, enterprises, where the experiment was conducted, obtained an increase in output amounting to about 6 million rubles and in profit, 2.2 million rubles as compared with 1986. With the attained production growth 230 workers on the industrial and production staff were released.

For a clear evaluation of the work of enterprises operating on the basis of full cost accounting, the following examples can be cited: the Topki Cement Plant received in excess of the plan four times more profit than the average per enterprise of the Main Administration of the Cement Industry. The above-plan profit at the Tulasantekhnika Association totaled 1.56 million rubles. This was more than twice as much as the average at similar sanitary engineering plants. With their own funds and bank credits they were able to carry out a considerable volume of work on the reconstruction and retooling of production and the construction of a number of projects, primarily social ones.

During the industry's preparation for the new conditions of management the development of economic standards for the remaining period of the five-year plan required a great deal of labor. Without stable standards it is impossible to ensure a steady economic activity of any collective and the interest of enterprises in adopting stepped-up plans and high technical and economic indicators.

The specific features and certain difficulties of this work in the building materials industry with its great number of production facilities different in their sectorial criteria and predominance of small and average enterprises should be discussed. In addition, a considerable number of them, owing to existing circumstances, operated (and still continue to operate) with planned losses.

The approaches to the formation of funds for the development of production, science, and technology, for social and cultural measures, and for incentives, which are needed here, are different than, for example, at large machine building and other plants. It is obvious that in a number of cases the approved standards insufficiently take into account the conditions and possibilities of individual enterprises, especially as they were developed for the first time and during a maximally short time. Furthermore, the calculation of standards was based on indicators of the five-year plan, which should be exceeded considerably as early as the current year, taking into consideration the big demand for materials and articles, especially for the construction of housing and projects of the social sphere, as well as the significant expansion of retail sale to the public. Problems of profit distribution throughout enterprises, profitability, price formation, and others require a close examination in order to combine in the best way the interests of the national economy and labor collectives as required by the Law on the State Enterprise.

The introduction of the collective contract is of special importance for our industry, in which with the acute shortage of worker personnel at many enterprises there are still very substantial shortcomings in labor organization and the utilization of labor resources. About 700 enterprises (associations) of the ministry's system have already been transferred to this advanced method.

The task of basically completing the introduction of the collective contract at all the sector's enterprises during the first half a year was set. This is extensive and complex work. It requires serious approaches and an evaluation and consideration of all the factors, on which the success of this cause depends.

As already stated, in industry there are still many enterprises planned to operate at a loss. First of all, these are local building materials plants. There is a considerable number of small plants for the output of brick (of an annual capacity of 5 to 10 million), as well as other local materials with obsolete equipment and big expenditures of manual labor. Recently, with the enlistment of specialists of the ministry's scientific research and planning organizations, in order to uncover the possibility of overcoming their low-profitability and unprofitable work most rapidly, a wide program of measures was determined for 1987-1989. First of all, the implementation of technical solutions not requiring large capital expenditures is envisaged. Tunnel furnaces, as well as furnaces with detachable roofs, instead of ring furnaces, were and are being built at a number of plants. In 2 years

it became possible to renovate up to 30 percent of the total pool of presses and to install 200 automatic chargers and brick layers. A considerable amount of other brick molding equipment was also replaced and production discipline was strengthened.

Owing to such measures, the utilization of capacities is improving and, naturally, profitability is growing. However, many brick, lime, and other plants still remain unprofitable. This significant economic defect should be eliminated in the shortest time. The initiative of the collectives, enterprises, and their managers themselves is required primarily here. However, assistance on the part of production associations and republic ministries is also needed. It would be incorrect to expect that everything would be decided from above. Leaning on the assistance and support of local bodies, it is possible to accelerate significantly the solution of problems, on which the profitable work of enterprises depends.

Problems of raising the economic indicators of work done by every enterprise and the industry as a whole are closely connected with the quality of output, expansion and renovation of its assortment, and improvement of consumer properties.

The development of production of advanced materials should be accompanied by a simultaneous improvement in the quality of the sector's total output. In this direction very extensive work, especially on the production and deliveries of local building materials, is still needed.

The industry's workers have already become convinced in practice of the marked effect that the introduction of state acceptance has had on a rise in the qualitative level of production and consumer properties of finished products.

The overwhelming majority of 58 of our enterprises transferred to state acceptance work not only with stable indicators of the quality of output, but of the entire production and financial activity. They include the Sebr-yakovskiy Cement Plant, the Spasaktsment Association, the Belgorod Asbestos Cement Articles Combine, the Norskiy Wall Materials Plant, the Karaganda Heating Equipment Plant, and others. Their output is accepted from the first presentation.

From the beginning of 1988 state acceptance of output was introduced at another 19 enterprises. A set of measures for ensuring a stable operation of these enterprises under state acceptance conditions were determined jointly with the bodies of the USSR State Committee for Standards. Incidentally, all of them are being transferred to the collective contract. All the necessary standard technical documents have been worked out and sent to enterprises. Unfortunately, the problem of an insufficient equipment of production with measuring and testing equipment and control instruments has made itself felt in many cases.

An improvement in the quality and a reduction in the material intensiveness of construction largely depend on the efficiency of the building materials used. This determines to a decisive measure the reduction in the weight of buildings, improvement in their heat engineering characteristics, industrialization, and labor productivity growth in construction.

Major measures for a significant expansion of the products list and improvement in the quality and architectural merits of building materials and articles for the finishing and equipment of apartments, modern solutions of facades and interiors of dwelling and public buildings, and repair and construction work have been worked out for the 12th Five-Year Plan and are being implemented. For example, the production of ceramic tiles for facing walls and installing floors is to be increased by 25 percent during the 5-year period, mainly through the mass output of tiles of new forms and various colors and shades with decorative coatings. The output of mineral wool slabs of increased rigidity, linoleum on a heat and sound insulating basis, gypsum cardboard sheets, and partition slabs should be doubled or tripled. In essence, the production of decorative polymer films for finishing walls and of light enclosing structures made from asbestos cement is being set up anew.

In the last 2 years a step has been taken forward in the expansion and organization of production of the mentioned and other advanced materials, but this step is insufficient. We should not be carried away by the high percent of growth of new materials. The point is that the base for such calculations was very low. Today attention should be focused on the need for a sharp rise in the absolute volumes of increase in the output of all materials necessary for the industrialization of construction and improvement in the quality of finishing work, as well as of sanitary engineering and other articles for equipping buildings, whose production should be sharply increased in the very near future.

It should be noted, however, that the set assignments for the output of slabs of increased rigidity, mats, plaster slabs, sanitary ceramic articles, extrusion asbestos cement panels, baths, and a number of other items were not fulfilled in 1987. In the production of all these types of products a big leap will have to be made in order to reach the goals of the five-year plan and of the additional assignments based on recently adopted decisions, whose aim is to ensure a growing scope of residential, social-cultural, and municipal-domestic construction.

The success of this cause will largely depend on a decisive turn of contract construction organizations, building materials ministries of republics, and client enterprises to the acceleration of construction, reconstruction, and commissioning of capacities at numerous projects, which should produce advanced materials. Sometimes a reference is made to the insufficiency of

capital investments and limits of construction and installation work. However, results show that funds amounting to more than 200 million rubles have been underutilized throughout the ministry.

A number of exceptionally important measures for the development and introduction of highly efficient technological processes and equipment, primarily for the organization of production of efficient materials and articles, a reduction in the fuel and material intensiveness of production, and a significant rise in labor productivity, should be carried out in 1988. Two large, new facilities (at Daugelskiy and Volkovysk associations) for the production of structural (extrusion) panels and sections on the basis of asbestos cement and eight production lines of a double productivity for the manufacture of roofing slate should be put into operation and mastered. We will have to complete the construction and to put into operation a new line for the dry method of cement production at the Navoi Plant and newly developed highly productive lines for the output of linoleum by the greasing method at Sumgait and Karaganda plants. Two fundamentally reconstructed systems for the output of sheet glass by the method of thermal processing on a metal smelt should be put into operation. They ensure a sharp growth of output per worker and the production of glass not inferior in quality to polished glass.

The construction of plants for products made from cellular concrete for rural construction and for ceramic wall materials built on the basis of new equipment should be completed. The commissioning in the current year of the first four and expansion of the construction of 22 plants for the production of high-quality brick by the rigid molding method with the use of coal mining and concentration waste are of exceptionally great importance.

In order to accomplish these and other tasks concerning technical progress, it is necessary not only to accelerate the construction of the indicated projects in the maximum possible way, but also to mobilize all efforts for their most rapid mastering, adjustment of equipment and all technological conversions, and a careful check of planned decisions.

The ministry's scientific research and planning and design organizations together with industrial enterprises changed over to full cost accounting on 1 January 1988. It is necessary to check again and again so that there is no formalism in this matter. The plans of institutes and organizations should be subjected to the strictest critical examination from the point of view of bringing their activity maximally closer to the demands for fundamental transformations in production technology and equipment and to the solution of problems concerning an improvement in the economic results of production and in the quality of output. Everything that is necessary should be done so that both industrial enterprises, as well as scientific research institutes and planning and design organizations, are truly interested in this.

Discussing tasks requiring special attention in 1988, it is necessary to dwell on matters concerning the search for all possibilities for more fully meeting the population's demand for materials for the construction of individual houses, equipment of orchard plots, repair of apartments, and improvement in their finishing and comfort. Recently, market allocations for basic types of building materials have increased markedly. For example, the following is allocated for retail sale to the public for the current year: 5.6 million tons of cement (20 percent more than last year), 5.5 billion standard slate tiles (about 20 percent), 50 million square meters of structural glass (almost 9 percent), 12 million square meters of ceramic tiles (11 percent), 600,000 baths (over 22 percent), 15.4 million square meters of linoleum (47 percent), and so forth. The demand for brick and nonore and other local materials is still met quite insufficiently.

The experience of a number of enterprises shows the possibility and advantage of a significant increase in the retail sale of local building materials and provision of services for their delivery to the population. Under the new conditions of management enterprises can increase the retail trade volume—not only through a network of specialized and firm stores, but also directly from plant warehouses—owing to the overfulfillment of plans for the output of products, including materials that have been distributed in a centralized manner until recently. Possibilities will also be found for the shipment and delivery of materials to customers by public and the enterprise's own transport, as was done at brick plants in the city of Lipetsk in agreement with the oblast executive committee. It should be stated that an expansion of services in this area will also contribute to a rise in the economic indicators of enterprises.

The year 1987 passed under the banner of an increase in the rates of the industry's development and extensive work on preparing its enterprises for the conditions of a radical economic reform. Final data show that restructuring in our sector, as in the entire economy, is gathering strength. Now, when the country has entered the second stage in restructuring, it is very important to consolidate the attained positive shifts, to ensure a stable increase in the rates of the sector's development, and to attain a significant rise in the indicators of economic production efficiency. Every labor collective, using the advantages and opportunities inherent in the new system of management, should strive for this.

All capital construction in the country changed over to full cost accounting and self-financing as of the beginning of this year. This means that the demands on the building materials industry as the principal construction base will increase and its role and responsibility for a regular provision of construction projects with high-quality materials and articles will rise.

On the verge of the new stage in restructuring all the sector's forces and potentials should be mobilized and activated for this.

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28 June 1988

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CONSTRUCTION

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POLICY ORGANIZATION

Retrofitting of Textile Industry Sought

18270050a Moscow TEKSTILNAYA

PROMYSHLENNOST in Russian No 3, Mar 88 pp 3-5

Article by M. I. Garber, engineer, GPI-5 (Kiev): "Acceleration of Reconstruction and Technical Reequipment: Problems, Research, Solutions"]

[Text] Prospects for the 12th Five-Year Plan in the area of reconstruction and new construction were pointed out at the 27th CPSU Congress:

production capacities of industrial enterprises are to be increased primarily through reconstruction and reequipment and not through new construction;

new construction is allowed only in those cases when the technical and economic justification (TEO) proves that it is impossible to achieve the increase or the assimilation of new products by any other method;

reconstruction and technical reequipment make it possible to obtain the necessary effect with less time and money than new construction does. The effect is provided by the availability of trained personnel and, correspondingly, the insignificant expenditures on their training, but the main thing is that there is no longer a need to construct housing and facilities for cultural and domestic purposes. It is of no small importance that there is an assimilated industrial site, services, and utilities.

According to existing provisions, technical reequipment and reconstruction can be planned by general planning organizations or, with the agreement of the latter, the enterprises themselves can do it, with mandatory observance of the requirements of construction norms and rules (SNiP) and also other unionwide departmental normative documents. But they are not allowed to reduce technical reequipment simply to a matter of replacing outdated or worn-out technical equipment, that is, to conduct it without comprehensively solving all the other problems (mechanization, automation, improvement of labor, fire safety, and environmental protection conditions, devices for repair and warehousing, and so forth).

It is recommended that reconstruction and technical reequipment be carried out in stages by individual shops, sections, divisions, and productions (the overall duration of each stage should not exceed 2 years).

The planning of reconstruction or technical reequipment necessarily must be preceded by sufficiently in-depth planning development done in the TEO [technical and economic substantiation] or in the technical and economic calculations (TER) in which the aforementioned problems are resolved comprehensively for the enterprise as a whole.

Individual enterprises have tried to solve problems of technical reequipment locally, reducing it merely to a replacement of technological equipment. Such an approach has frequently led to a lack of coordination of production and a deterioration of working conditions, and it has made the subsequent development of the enterprise more difficult. Therefore when individual enterprises have gone to planners requesting that they coordinate their working plan for reconstruction and technical reequipment they have been refused because the technical and economic documentation has not been good and has not met the normative requirements. For this reason Tiraspol and Donetsk cotton fabric production associations and Baranovich Cotton Fabric Production Association imeni Leninskiy Komsomol in Belorussia, and also the Ternopol Cotton Fabric Production Association imeni 60-letiya Velikoy Oktyabrskoy sotsialisticheskoy revolyutsii and the Shakhta imeni 50-letiya SSSR as well as other enterprises subsequently refrained from developing their own technical documentation.

Using certain of the aforementioned enterprises as examples, we wish to share out experience in planning and carrying out reconstruction and technical reequipment and also to elucidate a number of problems related to this.

GPI [State Planning Institute] -5 developed in five variants a technical and economic report (TED) for reconstruction and technical reequipment of the Ternopol cotton fabric combine. For stage-by-stage (stages lasting no more than 2 years) reconstruction or technical reequipment it envisioned:

in spinning—replacement of ring spinning machines with pneumomechanical ones working in conjunction with preparation equipment;

in weaving—replacement of AT-120 machines with pneumatic P-125-ZB-8M2 (Czechoslovakia) and shuttleless looms;

in finishing work—installation of two additional fabric printing machines of the Eliteks firm (Czechoslovakia), replacement of obsolete, not very productive washing and drying lines and the dryer-tenter-stabilizer machine of the KOVO firm (Czechoslovakia) with a more productive one from the Tekstima firm (GDR), and the reorganization of dyeing, etching and also other jobs related to increasing the output of printed fabrics.

In each of the stages of technical reequipment, in addition to the installation of modern, progressive technical equipment, it is suggested that means of communication, mechanization, and automation be introduced, that fire protection and environmental protection measures be carried out, and that the systems of pneumatic transportation, ventilation, electrical equipment and electric lighting be improved.

The generalizing indicators of the work of finishing units (sections) of the spinning, weaving, and finishing factor after technical reequipment are presented below.

	Increase in output
yarn, T(%); millions of rubles (%)	2214(31.3); 8.65 (33.3)
fabrics, millions of square meters (%); millions of rubles (%)	
crude	25.5 (39.7); 21.78 (56.3)
printed	12.8 (20.9); 15.2 (24.5)
prepared product (per 1 worker), thousands of rubles (%)	
in spinning	22.24(65.2)
in weaving	89.61(76.7)
in finishing	40.6(27.8)
Reduction of number of workers, people (%)	
Overall estimated cost, millions of rubles	40.48
Including construction and installation work	3.35

As one can see from the data, as compared to new construction, technical reequipment of the Ternopol cotton fabric combine provides for a significant economic effect.

For greater clarity the typical indicators of technical reequipment of the enterprises mentioned above are presented in the table.

It should be noted that the effectiveness of reconstruction and technical reequipment differs depending on the concrete conditions of the enterprise. As a rule, it is considerably less at old enterprises with severely worn fixed capital, which is confirmed by the preplanning work done by GPI-5 at the Poltava imeni 50-letiy Velikoy Oktyabrskoy sotsialisticheskoy revolyutsii and the Kiev spinning factories. But even with lower indicators one should not reject reconstruction and technical reequipment of enterprises since expenditures on maintaining capacities in working condition are inevitable. Consequently, it would be expedient to combine reconstruction and technical reequipment with an overall rise in the technical level.

Listed below are the main difficulties experienced by the enterprises and planners during reconstruction and technical reequipment.

There is a lack of regular and reliable information not only about foreign equipment, but also about domestic equipment.

GPI-5 in 1985 during preplanning work on problems of technical reequipment of the cotton spinning factory of the Grodno Production Thread Spinning Association imeni XXV Syezda KPSS, which was done as part of the TEO, envisioned the installation of new equipment, guided by the recommendations of the TsNKhBI [Central Scientific Research Institute of the Cotton Fabric Industry]:

sets of opening and scutching equipment (which include, among other machines, an RPKh serrated opener, an MO dust removal machine, and an RG-1M horizontal opener); ChMD-5 combing machines; LA-54-5008 belt machines; PPM-120A-1M pneumomechanical looms with rotor speeds of 70,000 revolutions per minute; TK-1 and KB two-stage doubling machines; and Autosuk winding machines (Czechoslovakia).

On the basis of these a working plan was developed for the first stage of technical reequipment of the enterprise.

But actually in 1987 the machine builders still had not begun to produce RPKh, MO, RG-1M, or ChMD-5 machines. Their series production is not intended to begin until 1989, and the PPM-120-A 1M machines—1988.

The LA-54-50008 belt machine requires additional work. Production of TK-1 and KB machines is not envisioned in the near future at all.

Instead of the Autosuk machine they intend to deliver Tekskoner machines. According to available preliminary data, these are distinguished by a greater air exchange (which makes it necessary to increase the capacities of the air conditioners) and larger sizes, and they also cost more.

As a result, both the preplanning materials and the working plan for the first stage of the technical reequipment need to be revised.

Unfortunately, such adjustments will hardly improve the technical and economic indicators of the enterprise since the prices of the equipment and its energy-intensiveness and sometimes the sizes increase disproportionately to the improvement of the technical indicators. Instability is typical not only of the basic equipment, but also of the auxiliary equipment as well as the instruments and means of automation. New equipment should be economical, and the creators and suppliers of it forget about this.

Expenditures and economic effectiveness with reconstruction of cotton fabric enterprises in c
Ternopol Baranovichi Donetsk Shakhty Tiraspol

Indicator	Ternopol	Baranovichi	Donetsk	Shakhty	Tiraspol
Cost of construction and installation work (per unit of equipment)*, rubles					
spinning chamber	36	—	97.4	—	30
loom	1250	1440	1668	2130	1170
Increase in labor productivity, %					
in spinning	158	—	188	—	177
in weaving	178	140	182	148	170
Increase in productivity of equipment, factor					
in spinning	2.9	—	3.2	—	3.1
in weaving	1.75	2.4	1.56	2.35	1.53
Reduction of number of workers, people/%	356/18.2	130/22	19½4.9	126/14	125/21.2

*With new construction 628 rubles were allotted for one spinning chamber and 10,600 rubles for one loom.

Planners encounter significant difficulties when introducing waste-free technology. Thus in finishing work there is still no possibility of replacing worn-out and obsolete installations for concentrating lye in bleaching and mercerization shops of finishing factories of the Ternopol cotton fabric combine or the Donetsk cotton fabric production association. Installations of the old type have been removed from production and the Ukrainian Scientific Research Institute of Chemical Machine Building will not promise to design the new ones until 1988-1989. And without these installations it is impossible to save on caustic materials or to reduce their discharge into the waste waters, which is necessary in order to protect the environment.

No equipment is being produced for salvaging low-grade wastes from cotton spinning factories, while in other countries these wastes are formed into briquettes and used as fuel.

Preplanning developments have shown that the existing ring spinning equipment and that which is to be produced by the end of the five-year plan, because of the increased sizes, cost, and energy consumption, will not produce an appreciable technical and economic effect with the reconstruction and technical reequipment of enterprises. The same thing applies to shuttleless looms. Obviously there is justification for the practice of acquiring licenses for the most effective and economical looms and quickly manufacturing a sufficient quantity of them. The industry needs a wide assortment of machine tools and machines.

It is necessary to place greater demands on the quality of equipment from supply enterprises and commissions that accept new technical equipment for series production (the delivery of a nonworking belt machine to the Grodno thread spinning production association was mentioned above).

The working plan for technical reequipment of the finishing factory of the Ternopol cotton fabric combine envisions the replacement of obsolete and worn-out

LPS-120 washing and drying lines with new ones for washing printed fabrics. But after the installation of the first line the combine discovered many defects in it which the manufacturer was unable to eliminate and the question of completing the reequipment of the washing shop is still open so far.

Other urgent issues are also awaiting resolution:

improvement of technological processes in finishing work directed toward reinforcing environmental protection measures, particularly reducing the application of melamine formaldehyde resins which are used for the final finishing processes of fabrics since a harmful substance is discharged—formaldehyde; reduction of the volume of sulfur dyeing, which causes a harmful gas to be discharged from the waste waters;

simplification of the policy for coordinating forced deviations from existing unionwide planning norms, since it is not always possible to avoid such deviations under the conditions of reconstruction and technical reequipment of old, crowded enterprises.

According to the clarification of the USSR Gosstroy, such coordination should be carried out through union departments and the USSR Gosstroy with the participation of organizations that develop the norms, which requires large expenditures of time.

It is expedient to do this kind of coordination at the oblast level in the various departments (Pozhnadzor, Sannadzor, Oblsovprof, environmental protection agencies, and so forth);

assimilation of series production of the M-75-9 mobile telescopic towers developed by the special design bureau for construction machines (Ivanovo), which is necessary for mechanizing the service for the upper zones of production premises;

priority assignment of limits on construction and installation work for reconstruction and technical reequipment by the contract method (if the enterprises cannot do it themselves), and also priority inclusion of design work in the plans of design organizations both of the system of light industry and specialized organizations (when, for example, it is necessary to enlist such an organization as *Proyektkhimzashchita* to examine and treat elements of buildings that are located in an aggressive environment);

improvement of the organization of sets facilities for reconstruction and technical reequipment. In spite of the requirements for giving priority to combining these objects in sets, there is an unjustified increase in the volume of documentation for defending orders and the orders are still not being fully satisfied;

insurance of prompt and high-quality output of the equipment planned for 1988-1989 and complete and prompt information about domestic and foreign technical equipment and technology, designs and nontechnical equipment, which, unfortunately, is currently not always available either to the planning organizations or to the enterprises.

All of the suggestions and wishes that have been presented will contribute to improving the quality and effectiveness of the planning of facilities for reconstruction and technical reequipment of enterprises of the textile industry.

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11772

GOODS PRODUCTION, DISTRIBUTION

Concern Over Unsafe Television Sets Stressed 18270055 Moscow PRAVDA in Russian 9 May 88 p 3

[Article by M. Maksimovskaya under the rubric "Commodities: Demand and Quality": "Give the Television Set to Your Enemy"; first two paragraphs are introductory]

[Text] I admit that this headline was suggested by Avicenna, a physician who lived nine centuries before the age of television. Yes, Avicenna recommended that one give his supper to his enemy. The scientist believed that a person's life is shortened by a meal in the evening. It is also shortened by a television set.

And now, let us look at the dramatic facts.

According to information from the Moscow Fire Protection Administration, 32 persons died because of television fires from 1980 to 1987. Last year the physical losses exceeded 500,000 rubles. And 180 fires were

reported in Moscow in the first 3 months of 1988. Four more persons were lost. Isn't the cost high for an "evening meal" in front of the screen?

In February, an explosion demolished a television cabinet in an apartment in Leningrad, House 114 on Sedova Street. And soon afterward, a letter from Ye. Yegorov appeared in the newspaper *LENINGRADSKIY RABOCHIIY*: "My father died in this room, and I know who the killer is. It's the "Raduga-716" television set made by the Leningrad Association imeni Kozitskiy."

Why do they catch fire?

I decided to get an explanation from the chief of the Main Administration for Television Repair of the RSFSR Ministry of Consumer Services, Yu. Potemkin. I had no doubt that he could provide exhaustive information on this problem. However, what I heard was indifferent: "The cause of fire is the dust settling on the microcircuits. Television sets catch fire all over the world. Call up a shop that repairs Japanese equipment. They will confirm this."

I telephoned a shop on Krutitskiy Embankment, House 3, Wing 2 (in the yard). They did not confirm this. "There is also really quite a bit of dust in imported television sets, but there are no fires," manager V. Mikhaylov said. It is mainly the domestic sets made from 1976 to 1979 that catch fire. How many of the materials in them are combustible? Forty percent! Even cardboard was used in their construction until recently."

I listened to many opinions. They reassured me: non-flammable materials are being used now, they say. But they alerted me once again—they don't exactly burn, but they smolder, giving off toxic gases. And they once again put me at ease—additional measures have been provided for in the new generation of television sets. They left me bewildered all the same: should I replace my television made in 1979 or wait until a set is available that simply does not catch fire? Or get rid of it anyway?

"Don't throw it away," they told me. "Insist that the flammable parts be replaced." It turns out that exactly 5 years ago a decision which established the procedure for replacement of the TVS-90LTs5 line transformer in television sets manufactured in the second half of the 1970's was approved. This is a particularly dangerous unit. And it was even proposed that this work be completed before 1986.

How many of these television sets are in the country? One million. Just a tiny fraction. But after all, the black-and-white sets catch on fire as well as the color sets. Those approved for loan are being serviced, at the very least. But routine maintenance has not been taken into account for the much larger number that have not been approved. It is worthy of note that firemen, the ones in Moscow in particular, are interested in the television statistics more than anyone. They are precisely

the ones who come without delay when television owners call. One can call a television shop for weeks without success. But if one calls a television repairman to an apartment—to bypass the official order, he will be right there. This service is not taken into account by the official statistics, of course. Now there are cooperatives in Moscow. Pleasant and courteous. But two simple repairs on a color television set will come to half the cost of a black-and-white set.

B. Volkov, chief engineer of the Tushinskiy Repair Center, told of a secret unknown to the mass television viewer. When do we pick up the telephone, after all? When a television set is out of order. It turns out that preventive maintenance—to check out the assemblies and contacts, and for cleaning—is necessary every year. Why don't the experts also offer this service, which reduces fire danger substantially, according to the specialists? A low list price of 4 rubles 16 kopecks. "We advise the owners of television sets which are not being serviced under a loan arrangement to see the technical centers in their residential area for preventive work," says N. Dronov, chief specialist of the "Orbita-Servis" Main Administration.

There is one more secret, a foreign one. They encountered a similar problem in Hungary. The manufacturing plants corrected their mistake and replaced the sets that caught fire. Could they have not changed them? They could have. But they would have lost the reputation of their brand, and their customers with it.

And why aren't our plants afraid of bankruptcy? The consumer has no choice. It is a monopoly. Circuits of the same type for the purpose of efficiency. Except that the knobs and levers are in different positions. Some of the producers have hidden themselves in areas which are literally closed to criticism. For state "secret" reasons. Even the people's control [committees] have difficulty in breaking through to these "cages." Certain departments who see no other solution are equipping the television halls in their rest homes...with fire extinguishers. So an angry person also comes to mind: isn't it better to equip television sets with fire extinguishers right away?

And if there is a fire, what next? The lawyers usually do not take such cases. They are troublesome. And they provide no fame. This is not a platform for Konya and Plevako [probably a literary reference]. The fate of those who are often burned out of their apartment when the television set catches fire is unenviable. They showed me bulging folders on this type of case in the people's court in Kievskiy Rayon. Judge I. Igisheva said: "Sometimes a person also has no place to live, and he runs about to organizations and collects documents. Manufacturing enterprises are unyielding and require many corroborations that the fire was not the owner's fault... But how is the damage to household property to be assessed? If you had a library, it is as good as lost. Secondhand bookstores refuse to assess the real value of books. But a person sometimes collects them his entire life... And

repair for the apartment? Do you know how a plastic comb burns? Black, sticky smoke. Now imagine that 70 combs like this have burned at once. That is a television set. The soot has to be scraped off down to the bricks."

Isn't it less expensive and more farsighted to repair the old television sets and set up the production of new ones that are safe? So that they can be given to your friends.

8936

PERSONAL INCOME, SAVINGS

Population Savings Increase Due to Scarcity of Goods

18270056 Moscow IZVESTIYA in Russian
29 Apr 88 p 1

[Article by Yu. Rytov under the rubric "Statistics and Our Commentary": "The Ruble in the Savings Bank"; first paragraph is introductory]

[Text] The USSR Goskomstat [State Committee on Statistics] reports that the average monthly wage for workers and employees in the national economy in the first quarter of 1988 was 210 rubles. Deposits by the public in Savings Bank institutions increased by 8.1 billion rubles during the quarter.

One would think that we can only be pleased by such rapid improvement in the people's welfare! Indeed, if we refer to the planned estimates for the five-year plan, it is easy to become convinced that monetary payments to the population are increasing much more rapidly than foreseen. The average monthly wage for workers and employees was to reach 206.8 rubles only by the end of this year, let us say, and 218 rubles by the end of the five-year plan. But we already have 210 rubles now!

The reader should not be disturbed and surprised—there is little that is good about this. For everything is interrelated in our economic and social life. At least two conditions are essential for an increase in wages to mean real improvement in the people's welfare—an increase in labor productivity should be ahead of an increase in wages. And secondly, monetary payments should be supported by an appropriate volume of goods and services.

Let us look at the first quarter results from this viewpoint. Alas, neither one of the two conditions has been met...

According to the most important generalizing indicators stipulated by the plan and estimates for 1988, the rates of growth needed have not been reached yet. The national income produced and the productivity of national labor were increased only by 4 percent, whereas the rates planned were set at 6.6 percent.

As far as providing for the money is concerned... Commerce was undersupplied with foodstuffs and industrial goods valued at 1.2 billion rubles in the first quarter. In particular, light industry enterprises alone were indebted for goods valued at about 2 million rubles. The plan for supplying trade with lumber, sanitary engineering equipment, paints and varnishes, and electrical products was not fulfilled, either.

The natural result: the target for overall commodity turnover volume was underfulfilled by 527 million rubles. But after all, it must be taken into account that we also finished last year with a large minus for this indicator when we did not receive 12.6 billion rubles. So indebtedness to consumers is not only not being reduced, it continues to increase...

Some economists believe that the strain in retail commodity turnover and cash is related to the reduced sales of alcoholic beverages. However, this is not true at all. Statistics attest to the fact that the sales of alcoholic beverages in the first quarter of this year were roughly at the same level as the first quarter last year.

The business of services to the public requiring payment has improved somewhat recently. The plan for their sale was fulfilled in the first quarter. But again, our attention is drawn to the extreme sluggishness of ministries and departments, which is the reason that the services area is being developed firsthand at enterprises very slowly. Here are the facts. Out of 46 ministries and departments for which the provision of services is not a basic activity, only 12 have met the targets for their sales.

We all associate our great hopes for an increase in goods and services with expansion of the cooperative sector. At present, 200,000 persons are employed here (there were 15,000 in the first quarter of last year). As we see, the rates of growth are impressive. However, the actual

results of their activity are not so impressive. The volume of goods and services sold by them all of last year added up to 349.7 million rubles. A drop in the ocean!

At a recent meeting of the USSR Council of Ministers which reviewed results in fulfilling the State Plan for Economic and Social Development of the country in the first quarter of 1988, it was noted that inadequate satisfaction of demand for consumer goods and services is creating serious difficulties in normalizing the circulation of money and is leading to imbalance between the increased public incomes and expenditures.

Indeed, deposits in the Savings Bank have already reached an astronomical sum—275 billion rubles! But the average deposit now is about 1,441 rubles.

We should not be deluded, of course: the actual sum of a deposit may differ from the average—either more or less—by a two-digit factor. The fact remains, nevertheless, that the public is saving up money which it cannot realize either in the state sector or the cooperative sector. Specialists call this phenomenon deferred demand.

But just how long can we defer demand?

It is clear that an excess of public incomes over expenditures and disruption of money circulation in the country lead to very severe consequences. Money is being issued, that is, additional money is being turned out, without providing for the commodities.

In spite of the substantial improvement in affairs in many sectors of the economy and the social field, we have not managed to stop this process yet. I am convinced that we must do this without fail and in the shortest possible time.

We remember the old advertising which savings banks used persistently: "Dependable, profitable, convenient."

Dependable? Absolutely. Convenient? Not always. Profitable? I doubt it.

FUELS

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[Article by V. G. Chirskov, member of the CPSU Central Committee and USSR Minister of Construction of Petroleum and Gas Industry Enterprises: "In Realizing the Program for the 12th Five-Year Plan"]

[Text] The third year of the 12th Five-year Plan, which is the key to the program of acceleration, is gathering speed. The party's policy during acceleration of the country's social and economic development has found concrete embodiment in a set of strategic decisions aimed at transforming the national economy. During the first two years of the five-year plan, substantial positive changes have occurred in all spheres of the society's life.

The first stage of restructuring work has basically been completed. As a result of the creation of a new political, moral and psychological situation, the people's activity has been increased, exactingness has been raised, and democracy and glasnost have been expanded.

The country now has entered a new stage of restructuring—the whole policy and all the decisions should be embodied in specific affairs. This requires enormous efforts of the whole Soviet people, including those who build facilities for the oil and gas industries. Minneftegazstroy [Ministry of Construction of Petroleum and Gas Industry Enterprises] collectives are at the leading edge of heat engineering, and successful fulfillment of the program for the country's economic and social developments depends greatly upon their work.

The next two or three years will be most complicated, since large-scale tasks in the economy and the social sphere, in the restructuring of state and social administration, and in ideology and culture will have to be solved. The 19th All-Union Party conference, for the conduct of which our country is preparing, will help to work out the tactics for implementing these tasks.

At present two key problems—democratization of the entire life of society, the state and the party, and radical economic reform—will determine the fate of restructuring. As CPSU Central Committee General Secretary Comrade M. S. Gorbachev has emphasized, deep structural shifts must be made in the economy, a turning point in the acceleration of scientific and engineering progress must be achieved, the economic mechanism must be restructured basically, and a decisive step must thus be taken in converting the economy to the rails of intensification ("Oktyabr i perestroyka: revolyutsiya prodolzhayetsya" [October and Restructuring: the Revolution Continues], Politizdat, 1987, page 40)).

Intensification of the economy is linked directly with an increase in the effectiveness of branches of the fuel and power complex.

Just how did our industry operate during the preceding two years, and with what kind of results is it going to the 19th All-Union Party Conference?

The industry's collectives are systematically implementing the tasks of the 12th Five-Year Plan for a further buildup in the fuel and power complex's capacity. During 1986-1987 more than 44,000 km of pipelines, including 22,000 of trunk gas, oil and petroleum-product trunk pipelines, were turned over for operation. The multi-strand gas pipeline system from West Siberia is being erected at an accelerated pace. The Yamburg-Yelets-1 and Yamburg-Yelets-2 gas pipelines were turned over for operation ahead of time and were introduced at the designed productivity. The Yamburg-Western USSR Border gas pipeline was erected as far as Yelets ahead of schedule. The first large gas pipeline in the Far East, the Okha-Komsomolsk-na-Amur line, was built, a meaningful contribution to realization of the long-term program for developing the productive forces of this economic region. The Makat-Severnnyy Kavkaz gas pipeline, which will enable the gas supply of the Transcaucasian republics to be improved, was introduced 2 months ahead of the deadline. Tasks were carried out in regard to the construction of gas pipelines and water lines connected with the Chernobylskaya AES and of gas pipelines to electric-power stations. About 100 pump and compressor stations, more than 1 million m³ of oil-tank capacity, and about 16,000 km of cable and radio-relay communications lines were put into operation on trunk pipelines.

A number of large new gas provinces have been built up, jointly with Mingazprom [Ministry of Gas Industry] collectives, in West Siberia and the Caspian area. The Yamburg gas-condensate field was put into commercial operation a half year ahead of the deadline. The last installation and the complex of oil-recovery facilities at the Urengoy field have been turned over. Recovery at the Astrakhan gas complex has been brought up to 6 billion m³ of gas per year. The assigned goal of building up recovery capacity at the Karachaganak field has been met. Growth in capacity at gas-field installations as a whole was 139 billion m³ per year. More than 29 billion m³ of gas have been delivered to the national economy above the plan.

The assigned tasks for introducing basic facilities into operation during the facilities buildup of the oilfields were fulfilled. During 1986-1987, 47 new oilfields were put under development, jointly with USSR Minnefteprom [Ministry of Petroleum Industry]. Within 2 years, 19 installations for treating crude, 250 booster and cluster pump stations, 8 gaslift compressor stations, 1.6 million m³ of oil-storage capacity, 6,200 km of power-transmission lines, and a number of other facilities and production capacity were turned over for operation. The

first domestic automated modular gaslift compressor station was constructed jointly with USSR Minkhim-mash [Ministry of Petroleum Refining and Petrochemical Industry] at the Samotlor field. The program for erecting capacity for casing-head gas utilization in West Siberia, where capacity was created for 9 billion m³ of gas per year, was realized. A large complex for supplying the Tengiz oilfield and adjacent settlements with water was introduced. As a result of work done jointly with USSR Minnefteprom on introducing facilities, the oil industry made up for its 1986 arrears and, according to the results of the first two years of the five-year plan period, delivered to the economy more than 2 million tons of crude above the plan.

The planned introduction of facilities for the nonproduction sphere has been provided for. Turned over for operation above the plans for the first two years of the five year plan were housing totaling 260,000 m² in area, preschool institutions for 1,400 children, general education schools for 3,100 pupils, vocational and technical schools for 1,300 students, hospitals with 828 beds, and polyclinics for 2,400 outpatients per shift.

In comparison with 1985, the construction of nonproduction facilities increased 1.5-fold and the introduction of housing rose 1.3-fold, kindergartens 1.5-fold, vocational and technical schools 2.8-fold and clubs and cinemas 9-fold in 1987. In two years, housing totaling more than 2.1 million m² in area and institutions for 12,000 preschoolers were built (versus, respectively, 3.5 million m² of housing and institutions for 15,000 preschoolers during the entire 11th Five-Year Plan).

Each year the rising tasks for producing consumer goods and extending consumer services are being met. During 1986-1987 commodity output increased 4-fold, the extension of services 2-fold. The production base and social infrastructure, where the annual amounts of work done more than doubled, are being expanded at an accelerated pace. Development of the industry's agricultural enterprises continues. In two years meat and milk production increased almost 1.5-fold, potato and vegetable production more than 2-fold.

The program for contract construction and installing operations for the first two years of the five-year plan were carried out by 1 December 1987. Assimilated were 15.1 billion rubles, or 1.5-fold more than during the first two years of the 11th Five-Year Plan, and 955 million rubles' worth of work above the plan task were performed. The rate of growth was 23.2 percent versus the 1985 level. Work volume increased 100 percent in linear construction and 86 percent in surface construction through labor-productivity increases of, respectively, 17 and 17.7 percent (under a plan for 9.2 percent each).

Industrial-type output worth 81 million rubles was produced above the plan. Growth over the 1985 level was 14.7 percent under a plan for 9.3 percent. Tasks for reducing prime production costs were met, and 232 million rubles of above-plan profit were obtained.

All this indicates that the restructuring process is, in accordance with 27th CPSU Congress decisions, gathering strength. At the same time, not everything is going smoothly with us, and much remains to be done.

Even a cursory critical analysis of 1987 results will show: who and what fell short and what our reserves and potentials are. The introduction of 600 km of planned pipelines and more than 3,000 km of line communications were not fully provided for by type thereof. Glavtruboprovodstroy [Main Administration for Pipeline Construction], Glavvostoktruboprovodstroy [Main Administration for Pipeline Construction in the Eastern Regions], Glavyuzhtruboprovodstroy [Main Administration for Pipeline Construction in the Southern Regions], Glavsredazneftegazstroy [Main Administration for the Construction of Oil and Gas Industry Enterprises in Central Asia], Glavkomigazneftstroy [Main Administration for the Construction of Gas and Oil Facilities in the Komi ASSR], and Glavneftegazelek-trospetsstroy [Main Administration for the Special Construction of Electrical Facilities for the Oil and Gas Industry] collectives are responsible for this.

Unfortunately, the plan for introducing into operation oil-storage capacity on trunk oil pipelines actually failed. The main fault for this lies with Glavvostoktruboprovodstroy, Glavtruboprovodstroy and Glavneftegazmontazh [Main Administration for the Installation of Oil and Gas Industry Facilities]. Subunits of the latter main administration are working without initiative on the erection of tank farms.

The introduction of 10 compressor stations has not been provided for. The largest shortfall in introduction was committed by Glavukrneftegazstroy [Main Administration for the Construction of Oil and Gas Industry Facilities in the Ukraine], Glavtatneftegazstroy [Main Administration for the Construction of Oil and Gas Industry Facilities in the Tatar ASSR] did not provide for the introduction into operation of four booster-pump stations, one cluster pump station and 20,000 m³ of oil-storage capacity. A number of purification structures and other facilities for nature conservation were not turned over for operation.

Altogether during 1987, 29 out of the 133 industrial facilities in the plan were not turned over for operation. The greatest shortfall in introductions, what is more, were those of Glavtruboprovodstroy, Glavvostoktruboprovodstroy, Glavyuzhtruboprovodstroy and Glavsredazneftegazstroy. Working under economic accountability is simply impossible unless old arrears are settled.

We still have not managed to achieve a rhythmic introduction of nonproduction facilities, a fact that reflects negatively on the quality of operations.

In many regions the structure of in-house housing construction does not consider the increasing number of workers and does not respond to the prevailing social

and demographic situation. Not enough hostels for youths and small families are being built. The status of cooperative housing construction is not satisfactory in the industry. Soyuzneftegazstroykonstruktsiya (All-Union Association for the Production of Constructional Structure for the Construction of Oil and Gas Industry Enterprises) has not for two years fulfilled the plan for producing modular mobile housing units. The problem of organizing the output of housing and domestic-services buildings—drying rooms, laundries, and brigade warm-up shacks—is especially dire. The program for resettling families from temporary and dilapidated housing in West Siberia has not been fulfilled.

The utilization factor for the existing capacity of large-panel housing-construction enterprises is rising but slowly. While the 1987 plan for producing parts for housing was to increase by 7 percent over 1986, it was carried out by only 91.5 percent, and more than 100,000 m² of parts were not produced.

Seventeen main administrations and associations did not cope with the plan for building facilities for the in-house production base. This resulted from the fact that many supervisors of all ranks were intolerably slow in changing their attitudes toward in-house construction, and their responsiveness is still low. And deficiencies in planning, design and the outfitting of facilities with material resources, constructional structure and, especially, equipment are making themselves felt.

Three main administrations (Glavneftegazpromstroy [Main Administration for the Construction of Oil and Gas Field Facilities], Glavzapsibzhilstroy [Main Administration for Housing Construction in West Siberia] and Glavurengoygazstroy [Main Administration for the Construction of Gas-Industry Facilities in Urengoy]) out of 22 main administrations and 47 out of 161 trusts did not cope with the contracting-work plan. The greatest number of such trusts was in Glavvostoktruboprovodstroy, Glavsibtruboprovodstroy [Main Administration for Pipeline Construction in Siberia], Glavukrneftegazstroy and Glavsredazneftegazstroy. Forty-eight trusts engaged in surface operations and 11 trusts doing linear construction have allowed the average wage to grow faster than output per worker.

The industry is doing goal-oriented work on restructuring the economic mechanism. Since 1 January 1988, organizations and enterprises of 15 main administrations and associations have been working under full economic accountability and self-financing. They include 107 trusts and like organizations, 6 SMU's [construction and installing administrations] that are subordinate directly to main administrations, and 44 industrial and 8 motor-vehicle transport enterprises. The indicated subunits do 86 percent of all construction and installing work and make 82 percent of the ministry's total profit. Converted construction organizations have a planned profitability of 16.3 percent, converted industrial-type enterprises 19.7 percent. The remaining 9

main administration, as well as all the institutes, Orgtekhstroy [State Trust for the Industrialization of Construction] trusts, and organizations and enterprises for materials and equipment supply, communications, and agriculture will be transferring to the new conditions on 1 January 1989. The profitability level of construction organizations that have converted to the second stage is only 7.3 percent, or about half of the planned level of profitability for the ministry as a whole (14.2 percent).

The USSR Law on the State Enterprise (or Association), whose force has been extended to 165 organizations and enterprises of the industry that have converted to full economic accountability and self-financing, grants them wide independence in solving production and social problems and grants working collectives all the rights needed for this purpose. But any independence is unthinkable without responsibility. Right now primarily economic responsibility is being promoted. Nowadays the sources of all pay for each organization are not the funds centrally allocated from the budget but only those earned by the collective. All expenditures must be covered through their income. The new management conditions establish the direct tie of the development of each enterprise and the strengthening of its social sphere and the collective's material incentive with the final work results. No one can take away the funds earned by the enterprise, but no one will be able to get out of the "debtor's prison" free of charge in case of poor work. One must count only on radical improvement of one's own work. The ministry's financing possibilities for extending assistance are now sharply restricted. Conversion to full economic accountability and self-financing is the main attestation of the state of affairs and of the political and social maturity of both each supervisor and each worker.

Elimination of the unprofitability and low profitability of some of the industry's organizations and enterprises is of special significance for converting to full economic accountability and self-financing.

In 1987 the number of unprofitable trusts fell from 29 in 1986 to 12 and the number of unprofitable construction organizations fell from 198 to 120. In addition, among the unprofitable units were 17 industrial-type enterprises.

Unprofitable work is intolerable in the new management environment. Neither the state nor the ministry will cover losses. The activity of unprofitable organizations is reviewed and measures are planned for improving their operation. We must basically eliminate unprofitability this year. Where collectives do not take stringent measures in this matter, the organizations must be eliminated.

A most important prerequisite for making financial conditions healthier is to increase effectiveness in using working capital. Right now its turnover in the industry is

315 days, including 184 days for norm-governed production reserves. Accelerating turnover by just 5 days will release more than 100 million rubles from the economic turnover, or, accordingly, reduce credit consumption by that amount.

The reserves of realizable assets are below the planned levels for the ministry as a whole. However, in some organizations and enterprises the limiting level of reserves greatly exceeds the standards. This relates most of all to Glavsibtruboprovodstroy, Glavtruboprovodstroy, Glavvostoktruboprovodstroy and Glavturkmenneftegazstroy [Main Administration for the Construction of Oil and Gas Industry Enterprises in the Turkmen SSR].

The settlements situation must be changed radically. Many contracting organizations have become accustomed to being owed large sums by clients for work done. This problem should primarily be resolved locally with the clients and bank institutions. At the same time, contracting organizations are not receiving major funds because of failure to execute technological stages and sets of operations.

In many trusts and associations, financing resources are decentralized. Because of this, some trusts' administrations have arrears while others have free monetary resources that enable them to pay off indebtedness throughout the trust as a whole. Intratrust indebtedness that exceeds half that of the trust's greatly degrades the financial situation and settlements. Monetary resources and settlements must be centralized in trusts and associations and, where desirable, settlements accounting within production units must be eliminated.

In order to improve the financial condition of subunits and to strengthen their ability to pay, it is necessary to realize a set of measures for reducing losses and nonproductive expenditures, improving the financial situation, restructuring administration structures, and raising the utilization effectiveness of materials, equipment and labor resources.

Timeliness and high-quality in the conclusion of contract terms and of agreements for delivering products take on special significance when working under the new system. The contracting season met with difficulties in the industry this year. A large number of contracts were concluded not for a construction project as a whole but for an annual amount of work, since the clients did not transmit to the general contracting trusts a complete set of design and budget-estimating papers; the project's lists of facilities under construction or being rebuilt that are included in the capital investment plan, which contain the designation and location of the construction, the design capacity, and the estimated cost; schedules for the delivery of equipment; and agreed contract prices. But the trusts' workers have not shown the required exactingness.

Trust and main administration services have not arranged businesslike interrelationships with the clients' design institutes at the stage of choosing transportation routes and construction sites, developing transport schemes for bringing in materials and constructional structure and designs for organizing construction, and working out basic engineering solutions that are laid down in the design. The trusts' role in reviewing the feasibility studies and the work of design consultants is small. Comments on the designs are given with great delay. Some client designs are approved without the concurrence of the contractors, which is impermissible.

Under the restructuring of the economic mechanism, timely and high-quality conclusion by enterprises of contracts for performance of the work and the delivery of products is a necessary factor for the stability of their activity. Certain main production administrations, associations, trusts and subunits have done this work with a lack of understanding, and not recognizing its importance, primarily to their own laboring collectives, have shown sluggishness and intolerable slowness in performing it. It is necessary to generalize the practice of concluding agreements for contracts and shipments during 1988 in order to prevent errors in the 1989 contract season.

Getting things straight in legal work and arbitration practice is of great importance during introduction of the new economic mechanism. Legal work should be concentrated on supporting application of the USSR Law on the State Enterprise (or Association) and other decisions about restructuring management of the economy.

The industry has taken steps to improve agency standard regulations and technical-standards documents. While on 1 January 1987, 793 agency and 264 engineering-standards regulations were in effect, on 1 January 1988, 74 departmental regulations and 185 engineering standards documents remained in effect. Main administrations, associations and trusts should quickly complete work on repealing regulations which interfere with the activity of subordinate enterprises and organizations under the new economic conditions.

Sixty-six trusts and more than 200 separate administrations in the industry are operating under the collective contract method. The main administrations Glavyuzhtruboprovodstroy, Glavkomigazneftstroy and Glavturkmenneftegazstroy and the association Soyuzpodvodtruboprovodstroy [All-Union Association for the Underwater Construction of Pipelines] have converted all their construction and installing trusts to the contract method. Glavtruboprovodstroy and Glavneftegazelek-trospetsstroy are completing work in this area. The rate of growth of construction and installing work in these organizations is double that achieved under the traditional methods, and labor productivity is much higher. It

is very important that substantiation for making payments out of the wage fund—an increase of 0.22 percent of the wage for each percent increase in labor productivity—has been raised.

However, in some main administrations and trusts, the collective contract is being poorly attended to. One sixth of the industry's trusts does not have one subunit working under collective contract. Such trusts as Udmurtneftegazstroy [Trust for the Construction of Oil and Gas Industry Facilities in the Udmurt ASSR], Urengoygazhilstroy [Urengoy Trust for the Construction of Housing for Gas-Industry Enterprises], Surgutspetszhilstroy [Surgut Special Housing Construction Trust], Orenburgspetsneftezhilstroy [Orenburg Special Trust for the Construction of Housing for Oil-Industry Enterprises], Kogalymtruboprovodstroy [Kogalym Pipeline Construction Trust], and Krasnoleninsktruboprovodstroy [Krasnoleninsk Pipeline Construction Trust] are among them. The work has been neglected by Glavtyumenneftegazstroy [Main Administration for the Construction of Oil and Gas Industry Facilities in Tyumen], where half the trusts do not have the collective contract. And judging by the schedule that has been presented, the main administration is not even hurrying to correct the situation. The situation is similar in Glavzapsibzhilstroy, Glavneftegazpromstroy, Glavtyumentruboprovodstroy [Main Administration for Pipeline Construction in Tyumen Oblast], and Glavyamburgneftegazstroy [Main Administration for the Construction of Oil and Gas Industry Enterprises in Yamburg]. The industry's collegium discussed all these questions at the start of this year. A precise program of actions was planned: in the first half of 1988 the conversion of all organizations to the collective contract should be completed.

At the same time, a struggle must be waged now to raise the actual yield from the collective contract, saving it from formalism in this area. The main directions of this work are the development within production facilities of the economic accountability of consolidated brigades—sections and flow-line construction groups—and the introduction of economic accountability to each worker. The necessity for being prepared for conversion to the second model of economic accountability, which will permit the struggle with waste and extravagance to be waged more effectively and production profitability to be raised, must be especially emphasized.

The fact that trusts and administrations have slowed recently the forming of consolidated low-level collectives provokes concern. Right now they number more than a fourth of all brigades. How to prepare the supervisors of our organizations to live under complete economic accountability and self-financing? In the final analysis, the profit of any construction organization is created in the low-level collectives. And it has long been known that real economic accountability cannot be achieved with small brigades. A mandatory step in restructuring under

the collective contract and economic accountability should be the forming of consolidated brigade-sections and flow-line groups for the final product.

Contract methods must be introduced more actively also in the branch's industry. A number of enterprises that belong to construction trusts have already been converted to the collective contract. However, the industrial associations are as yet doing this work only at the department and section levels. Plant directors must more actively adopt existing experience, including that of the builders, without waiting for some kind of instructions.

Our conversion of organizations to the new pay methods is going slowly. Only 47 trusts and 14 enterprises have converted to the new wage and salary rates.

Questions of the collective contract and the new pay provisions are among the most important elements of restructuring the economic mechanism. Unless they are solved, genuine economic accountability cannot be achieved, and time must not be allowed to slip by.

One of the most important reserves for labor-productivity growth is the rational use of worktime. Despite the work that has been done, worktime losses because of idle time, loafing, and absenteeism with the administration's permission are being reduced but slowly in construction organizations. The squandering of worktime is the same as wastefulness. In order to make up production losses, material expenditures are not required, just a good state of organization on our part.

We have substantial reserves for improving fixed-capital utilization. The two-shift system for operating machinery is being introduced into the branch very slowly. The utilization factor of the motor-vehicle fleet in Glavurengoyneftegazstroy, Glavkomigazneftstroy, Glavbashneftegazstroy [Main Administration for the Construction of Oil and Gas Industry Enterprises in the Bashkir ASSR], Glavturkmenneftegazstroy and Glavneftegazmontazh is below 0.55, while in Glavtyumentruboprovodstroy, Glavtruboprovodstroy, Glavtatneftegazstroy [Main Administration for the Construction of Oil and Gas Industry Enterprises in the Tatar ASSR] and Glavneftegazmontazh the average duration of the operating time of motor vehicles on the line has been reduced in comparison with 1986.

The capacity of the construction industry is not being used adequately. All this indicates an underevaluation of the significance of fixed capital in economic activity. We must still learn to consider and determine what is needed and suitable.

The tasks set for the ministry on saving materials and equipment are being carried out as a whole.

At the same time some main administrations are not coping systematically with tasks for saving materials. Steps for saving reserves at construction-industry enterprises are being taken extremely slowly. Certain resource-saving technologies are being introduced slowly.

The supervisors of some enterprises and organizations are not paying proper attention to the rational use and saving of power resources. Affairs are going especially unfavorably in Glavsibtruboprovodstroy, Glavtruboprovodstroy, Glavvostoktruboprovodstroy, Glavyamburgneftegazstroy, Glavyumenneftegazstroy and Glavzapsibzhilstroy, where the requisite persistence is not being displayed in converting boilerhouses to cheaper kinds of fuel.

An analysis of the operation of enterprises that make reinforced-concrete articles indicates that questions of saving thermal energy have not become a topic of tireless attention for many collectives. About 19 percent of all the reinforced concrete produced by the branch is made by the use of heat treatment in the products of gas combustion.

Operation under the new economic conditions requires a radical change in attitude toward the use of resources, the cost of which reaches 60 percent in the price of our output. The saving of resources in 1988 will become 100-percent of the source for covering the whole increase in work volume. The ministry's goal this year for savings is increased by 24 percent for rolled metal, 49 percent for cement, and 3.5-fold for sawn timber (in comparison with 1987).

Therefore, putting matters in order and making diligent use of all types of resources should become the paramount concern of everyone. Meanwhile, not everywhere have cases of wastefulness been eliminated in the branch yet. We should not only eliminate cases of wastefulness but also, and what is more important, set up a reliable barrier to the appearance thereof from now on and raise the responsibilities of workers for overall production sophistication.

The branch has examined certain areas in organizing the administration of scientific and engineering development, and ways for bringing the industry's science closer to production are planned. As a result, out of 19 branch programs, six have been executed (Truboprovod [Pipeline], Industrializatsiya [Industrialization], Novyye mashiny [New Machinery], Novyye materialy [New Materials], Upravleniye [Administration] and Sotsialnoye razvitiye [Social Development]). These programs reflect all areas and stages in the industry's development. The minister's deputies have been named program managers.

We must build up the pace of introducing all that is new at our construction projects. All levels of management must increase responsibility for accelerating the introduction of scientific and engineering achievements in the branch.

In implementing the principles of the January 1987 CPSU Central Committee Plenum, the collectives of the industry's organizations have taken some steps to improve personnel work, to improve the administrative structure, and to bring it closer to the requirements dictated by conversion to the new economic methods of management. In a year the administrative staff was cut by more than 6,000 people. Along with a reduction in the administrative staff's manpower, the branch developed a process for the rotation of supervisory personnel and an influx of fresh forces.

A critical period in the life of our society and the entry into effect of the USSR Law on the State Enterprise (or Association) have placed first priority on more improved forms of administration and the universal development of democracy. Today, 2,509 workers' soviets of collectives are operating in the branch, 118 of them in the trusts. The collectives' workers' soviets are beginning to implement more actively the principles of self-administration, to influence production discipline and social development, and to take part in the conduct of personnel policy. In 1987, at conferences of the activists and at conferences in which workers' soviets of collectives participated, 26 trust and association managers and 160 chiefs of construction and installing administrations were elected. The election of supervisors of low-level elements has grown appreciably. It is characteristic that workers, in electing supervisors, display great interest in the program advanced by the candidate for further developing production and in their views on the collectives' social development and the solution of housing and domestic-services problems.

The general involvement of workers in the management of production is one of the tasks for the immediate future. The creation within subunits of workers' soviets of collectives, the fine-tuning of their work, the study and dissemination of experience gained, and the active involvement of the workers' soviets in solving problems associated with the conversion of organizations to the new management conditions must be completed.

Right now, when the main portion of the ministry's organizations are converting to full economic accountability and self-financing, the role of supervisory personnel and specialists is growing sharply, and the requirements for electing them are increasing. The certification and forming of a reserve of personnel for advancement in an environment of broad glasnost, criticism and self-criticism of deficiencies, and indoctrination work, especially among young specialists, should be activated as quickly as possible.

The success of restructuring and economic reform depend directly upon the training of personnel. We must pay paramount attention to problems of the economic training of blue-collar workers, white-collar workers, engineers and technicians. A clear-cut system of economic study still has not prevailed in some trusts, construction administrations and industrial enterprises, and its standard is not high.

A high degree of support for our subunits by supplying labor resources is a good base for solving this year's production tasks.

The conversion today to collective forms of organizing work can in some subunits lead to a reduction in worker manning. In considering this, vocational guidance and, in the necessary cases, the retraining of personnel, should be performed in advance. Groundless haste in discharging personnel cannot be tolerated. More than 100,000 blue-collar workers are studying this year in the industry's training-school network and directly in production. However, under the new management conditions, the amount of personnel training, especially in problems of economic accountability, should rise significantly.

Scientific and engineering progress requires the training of workers in advance in new areas of the development of equipment and technology. The branch's schools have been transformed into special training centers, and their base is being expanded and modernized. But, unfortunately, not everywhere are the tasks for training being correlated with the plans for introducing new equipment and technology. The fact is that personnel training must be converted to economic-accountability principles more boldly.

Along with the improvement of personnel policy, we must pay greater attention to improving work safety, medical services, workers' supply and the development of subsidiary farms, as well as to expanding the production of consumer goods and extending consumer services.

Unfortunately, some supervisors and working collectives do not fully understand the importance of consumer goods and the extension of consumer services.

This year, the production of goods is to double (40 million rubles' worth) and realization of services is to increase by 31 percent (54.3 million rubles' worth). Specialized subunits for serving the population, including the use of in-house production output, must be created everywhere.

Scientific-research institutes and design-development organizations should develop new models of commodities at an accelerated pace in order to form in good time a production backup for 1989 and later years. We must not only carry out but even overfulfill plans for producing consumer goods and extending consumer services.

During the third year of the five-year plan, the branch's collectives are, for the first time, to assimilate more than 8 billion rubles (a growth of 11.5 percent over 1987). The work volume at construction projects called for in state orders is 69 percent of the total amount.

Laying of the Yamburg-Tula-1 gas pipeline must be completed in April of this year, while the Yamburg-Tula-2 must be finished by the end of 1988. The section of the Yamburg-USSR Western Border gas pipeline between Yelets and the state frontier and the Gazli-Chimkent gas pipeline should be introduced in July. Work on construction of the Northern Regions of Tyumen Oblast (SRTO)-Omsk-Novosibirsk gas pipeline, 2,350 km long, and the two-strand SRTO-Ural line must be promoted over a broad front.

In the third quarter, the program for erecting gas pipelines to the Surgutskaya, Permskaya, Zaporozhskaya and Talimardzhanskaya GRES's, as well as of taps to 35 cities and communities, should be fulfilled. More than 1,300 km of oil pipelines and product pipelines must be laid by the prescribed deadlines for USSR Minnefteprom and Goskomnefteprodukt (State Committee for the Supply of Petroleum Product).

Problems in the construction of compressor and pump stations and of facilities for building up oil and gas fields and problems in the erection of gas-processing plants that are not easy must be solved this year.

In 1988 a further increase in the amounts of construction of nonproduction facilities is planned. Almost 2.5 million m² of housing, general-education schools for 23,000 pupils, institutions for 23,000 preschoolers, hospitals with 1,300 beds and a number of other facilities of the social sphere are to be put into operation. We must, after thinking out all the details, face the task of completing the construction and introduction into operation of apartment houses and facilities for social, cultural and domestic-services by the 71st Anniversary of the Great October.

Execution of the responsible and multifaceted tasks of the third year of the five-year plan requires a concentration of the efforts of all collectives in the most complicated areas, a search for diverse reserves, and the active involvement thereof in operations. Indispensable prerequisites for realizing the prescribed tasks are the persistent introduction of scientific and technical achievements, more complete use of the advantages of economic accountability and self-financing, improvement of work quality, and the solution of social problems. No less important is development of the workers' creative initiative, which is being reflected brightly in socialist competition.

One can now win in the competition only by providing for the introduction into operation of all production capacity for 100 percent of the products mix and of housing and facilities for cultural and domestic-amenity

purposes. Under the new management conditions, plan discipline, a persistent struggle for the fulfillment of all contractual commitments, and improvement of quality indicators will set the image of the working collective and its managers and specialists. The competition should be subordinated primarily to these ends.

Indispensable prerequisites for effective work are a strengthening of the credit procedure, discipline, and the state of organization in all areas of production and administration, and the conscientious fulfillment by each person of his obligations. All this will impart force and energy to restructuring.

The plan for the third year of the five-year plan is strenuous, but it is realistic. The task of Minneftegazstroy collectives is: following the branch's traditions, not only to carry out the prescribed tasks but also to provide for the introduction ahead of schedule of facilities for the country's fuel-type power engineering. And thereby greet worthily the 19th All-Union CPSU Conference.

11409

Classification of Oil Reserves, Resources Noted
18220068 Moscow NEFTYANOYE KHOZYAYSTVO in
Russian No 3, Mar 88 pp 24-26

[Article by E.M. Khalimov, V.K. Gornikov (VNI [All-Union Scientific Research Institute of Petroleum and Gas]) and R.E. Khalimov (Noyabrskneftegaz [Noyabrsk Oil and Gas Administration]) under the rubric "Oil Production": "The Economic Geological Classification of Petroleum Reserves and Resources for Long-Term Planning (Principles and Diagram)"; UDC 553.98.04]

[Text] The country's raw-material base for oil production has undergone considerable changes: new fields have been discovered in West and East Siberia, the Caspian and other regions, and oil production has increased many times over.

Along with the growth in volumetric indicators, a qualitative change in the structure of the raw-materials base has been observed, the most important consequence of which is rapid growth in proportionate expenditures for the assimilation of fields and in the cost of oil production. In the practice of planning oil production, a determination of the capital investment and material and technical resources for a period being calculated is accomplished according to the principle of "based on what has been achieved" using quantitative indicators without regard for the qualitative features of the new fields. The planned amounts of capital investment and resources as a result frequently do not provide for the complete assimilation of the new fields. This is manifested especially acutely in a region such as West Siberia.

Experience has shown that the development of the petroleum industry at its contemporary stage, typified by a considerable degree of inclusion of reserves into development and the assimilation of resources, it is not enough for the reliable long-term planning of oil production to have a base that includes just a quantitative estimate of reserves and resources. A forecast of their quality and estimates of their cost should also be included in the calculations.

A first effort at such research in the development of works (1-3) was a methodological approach to the economic geological evaluation and classification of petroleum reserves and resources, which can be utilized in long-term planning of oil production for the major regions or for the country overall.

Known methods for forecasting some features of reserves are basically concerned with the dimensions of the fields. It is essential at the same time to forecast other geophysical properties of the reserves that determine the efficiency of their development making use of their tendency to change depending on the degree of assimilation of the initial potential resources.

Methods of geological forecasting are of a profoundly probabilistic nature, and researchers thus prefer to do it by major region or stratigraphic complex and for a prolonged period. It is apparent that it would be expedient even in our example, using conventional methods, to forecast for a long period (no less than a five-year plan) for major stratigraphic complexes that encompass a quite major sections of productive rock. For that reason, it makes no sense to forecast the whole aggregate of natural and geophysical parameters, and the most significant ones that primarily determine the efficiency of the development of the oilfields should be selected instead.

Precision in the forecast of qualitative features that satisfies planning practice can be achieved if the following basic factors determining the efficiency of development of the oilfields are analyzed:

Group 1—geotechnical: the viscosity of the oils, the permeability of the formations, the ratio of oil and gas in the accumulations, the degree of working of the reserves of formations under development;

Group 2—engineering: the depth of occurrence and the degree of hostility of the environment;

Group 3—natural and geographic: location of the area of operations (water or dry land, degree of assimilation and accessibility, presence of a ban on production operations, natural-preserve or reservoir areas, the joint occurrence of non-hydrocarbon precious minerals etc.).

An analysis of the quantitative effects of the enumerated factors has shown that the development process and the completeness of petroleum extraction basically depend

on the geophysical parameters that determine the rheological properties of stratal petroleum, collector properties, the heterogeneity of the formations and the ratio of the volumes of oil, gas and water in the productive formations. The development systems and methods of stimulating the formation to raise petroleum recovery are shown to the greatest extent from technological factors.

A subdivision of reserves and resources into efficient and inefficient with a regard for cost factors is proposed according to the aggregate of the three indicated groups of factors that determine the productiveness and productive possibilities of the sites being exploited (yields of producing wells, oil extraction rate and oil recovery ratio).

Reserves with a nominal viscosity of the stratal petroleum (up to 30 mPa/s) occurring in petroleum formations with good collector properties (permeability of no less than 0.05 microns/square meter) are efficient ones. Reserves with similar properties but with a high degree (over 80 percent) of working for the initially extracted reserves are distinguished by low well productivity (less than 20 tons/day) and high technological complexity of development, and they are thus recommended for classification as inefficient. The inefficient ones moreover also include reserves that cannot be exploited intensively and efficiently using waterflooding and traditional development-system methods. According to their geophysical traits, these are reserves with low-permeability collectors (permeability of less than 0.05 microns/square meter), reserves of highly viscous oil (over 30 mPa/s) and petroleum reserves in the subgas portions of accumulations and oil fringes and the narrow edge sections of extensive water-gas and other zones.

The accepted criteria for the indicated permeability of collectors and viscosity of petroleum under stratal conditions with the division of reserves into efficient and inefficient is quite closely linked with the conditions of development, including the possibility or impossibility of the efficient utilization of flooding methods.

Taking the second group of factors into account, the inclusion of petroleum reserves with a high dissolved-gas content of corrosive components (over 6 percent hydrogen sulfide, carbon-dioxide gas), as well as reserves with a high salt content, making well operation more difficult and requiring the application of special corrosion-resistance equipment, among the inefficient reserves is recommended. Petroleum reserves with high stratal temperatures (over 90 degrees Celsius) and high gas and paraffin content, which makes mechanized well operation more difficult and requires the employment of special equipment and conversion of gaslift methods, can also be included in this group.

The allocation of separately occurring reserves of deep-lying (more than 3.5 kilometers) sites, whose development is accompanied by additional difficulties and

material expenses, to the inefficient group is expedient. Here are included reserves of overpressured accumulations and formations typified by intensive manifestations of plug formation, which make the drilling and operation of wells more difficult.

Proceeding from the third group of factors, difficult-to-access reserves and reserves in water areas and on dry land with harsh natural and climatic conditions and an undeveloped infrastructure, the assimilation of which requires the resolution of difficult technical tasks, large material resources and are markedly complicated by ecological problems are delineated as inefficient. This group also includes reserves and resources on shelf areas (the northern and southern seas separately with differentiation by depth), territories remote from bases and communications and zones located in swampland, deserts and mountain terrain difficult to traverse, along with the Arctic Circle and the tundra.

Various traits are thus characteristic of a single site, and it can be placed in different groups of the proposed classification. The assignment of sites to a specified group is recommended to be accomplished according to the dominant feature determining the efficiency of its development, so that the total number and total reserves of the sites being considered correspond to a single balance sheet.

The sequence of operations in the economic geological analysis of reserves and resources can be presented in the following manner: 1) a monetary evaluation of known sites (geostratigraphical complexes); 2) distribution of the reserves of known sites according to priority trait; 3) the grouping of known sites by priority trait and monetary evaluation; 4) the economic geological analysis of the allocated groups of reserves; [5)] correction of the results obtained according to the groupings of reserves; 6) making of a decision according to the geo-economic standard for each geostratigraphic complex by regions; 7) forecast of the properties of groups of resources by regions and geostratigraphic complexes; 8) cost evaluation of the resources by regions, complexes, fields and sites.

It should be expected that the dimensions of the fields, along with the indicated factors, will have a considerable effect on the economic evaluation of the reserves: large fields can be efficient, and small ones inefficient, regardless of the development conditions. This assumption, however, should be confirmed by concrete analysis.

The proposed classification can also be useful for a scientifically substantiated selection of operations aimed at prospecting and surveying the most productive and efficient reserves. The recommended classification makes possible a better-substantiated determination of the principal areas of influence on individual groups of low-productivity reserves apropos of balance-sheet and

off-balance-sheet reserves and petroleum resources for their more active inclusion in development and the more complete recovery of petroleum from the earth.

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12821

Labor Council Head Scores Coal Ministry Over Mining Method

18220075a Moscow PRAVDA in Russian 30 Apr 88 p 3

[Letter from Hero of Socialist Labor G. Smirnov, chairman of the "Gidrougol" Association Workforce Council: "Dispersed 'Log by Log' or How the Minister Reacted to Criticism"]

[Text] Novokuznetsk—A month has elapsed since PRAVDA (for 29 March 1988) carried my article "Taken for a 'Stepdaughter' or Why the Ministry of Coal Industry, in Defiance of the USSR State Enterprise Act, Is Attempting To 'Abolish' a Profitable Association," but the seriousness of the events is increasing all the time. USSR Coal Industry Minister M.I. Shchadrov visited the Kuzbass. He ordered representatives of the outfits of the two production associations—the "Prokopyevskugol" and "Gidrougol"—to assemble in Prokopyevsk for, as we were told, a meeting.

We went with the idea that the minister wished to consult us on the fate of our associations and the development of the progressive hydraulic mining method. But in fact the minister had gathered us together merely to inform us of the "volitional" decision to wind up both associations and create a new one—the "Prokopyevskgidrougol"—on the basis thereof. Some of our mines will be transferred to other Kuzbass associations here, the remainder becoming part of the newly formed association.

Those assembled were told that there was already a ministerial order in this connection and that there was nothing to discuss here, it was merely necessary to fulfill it. Competitive elections for the general director of the new association would be held.

All my miner comrades were astounded and disappointed by such a turn of events. Following the PRAVDA article we were expecting a businesslike discussion and were hoping that the minister would candidly put us in the know as to what serious arguments there were in support of the contemplated "reorganization," with which decisive issue is taken by the "Gidrougol" Workforce Council. People were talking impatiently and hopefully in the teams and at the long-walls only about what the minister would have to say. It transpired that he had nothing to say to us other than the announcement of his inflexible will. Merely questions from the floor were permitted. And, putting them, the miners essentially sharply criticized the unconsidered hasty decision of the sector's headquarters. What was the need for this reorganization, they asked. They maintained that by going this far hydraulic mining engineers, who are not that numerous in the sector as it is, could be lost. The gave also the reasonable reminder that the Prokopyevsk mine currently lacks sufficient electric power sources for the development of hydraulic mining on such a large scale. Transferring 10 "dry" mines to hydraulic mining "wholesale" is impossible for the added reason that there is insufficient concentrating mill capacity available.

Clearly to be seen behind all these "protuberances" of reorganization is the intention to reduce hydraulic mining to nothing, although lipservice is paid over and over again to its "improvement". However, the minister "dissolved" all problems and discrepancies with astounding facility. It has been the case, according to him, that hydraulic mining does not produce big results on gently sloping coal seams, but it is of undoubted benefit on steep seams. In Prokopyevsk, however, the seams are steep. And for this reason, it is said, the Prokopyevsk mines need to be switched to hydraulic mining.

It transpired that power substations and concentrating mills are no problem, they can be built, nor is there any need to worry about hydraulic mining engineer specialist personnel: no one will be going anywhere. As if the hydraulic mining engineers will be removed from Novokuznetsk at a stroke and will all smoothly set off to start life in Prokopyevsk, as if someone has made ready a mansion for their arrival. All as if by magic....

Here in Siberia we sometimes dismantle timbering log by log in order to put up a cottage elsewhere. This takes place in small abandoned taiga villages. But what is the point of we hydraulic mining engineers having our underground facilities, which we have built up by our own efforts over a long 13 years—from the first stake—"dispersed log by log"?

I listened to the minister and began thinking. Why in the fervor of democratization and glasnost are our vital concerns being decided in sector headquarters without our participation, in the seclusion of an office, as in the bad old days? Who knows the particular features of this technology and its possibilities—now and in the future—better than the hydraulic mining engineers? It was uncomfortable for me to hear the assertion that hydraulic mining is inefficient on gently sloping seams. Such assertions are based on nothing other than the calumnies of the opponents of the new. We have at our disposal incontrovertible documents and facts maintaining the opposite. Let us take as an example one of the best, if not the best, mines in the sector, the "Raspidskaya," at which the celebrated team of Hero of Socialist Labor V.M. Gvozdev works. It mines 1.5 million tons of coal a year. Thus in 1987 productivity at "Raspidskaya" was 142 tons of coal per workman a month. But now, in March, our "Polosukhinskaya" hydraulic mine, which is still under construction, had an indicator of 194 tons a head. And we know full well that in 2-3 years the mineworker's productivity here will be 300 tons. Yet the "dry" "Raspidskaya" is today enjoying its heyday and is furnished with the most modern mining equipment.

Speaking at the same meeting, the minister assured us that our association had not, allegedly, justified the hopes placed in the development of hydraulic mining. In my last article in PRAVDA I had already described what we had achieved in the time of our existence. I will not repeat myself but nor can I remain silent about the fact that for the last 3 years our association's managers have had to contend with the strongest resistance on the part of ministry executives, who were opposed to the development of hydraulic mining. So to improve the situation we need not to disperse the steadily operating profitable "Gidrougol" Association but a fundamental change of attitude toward hydraulic mining in the sector's headquarters itself. For I well remember how at a meeting in the same Prokopyevsk our minister declared aloud: "It is time to have done with this hydromuck." It's a shame to say so, but the respected minister was judging hydraulic technology by hearsay and had not seen our stopes with his own eyes.

True, the minister has now, in April, visited the "Gidrougol" pits. He spoke and described the purposes of the "reorganization". And the miners everywhere were sharply negative in their reception of the decision to create the "Prokopyevskgidrougol". But the minister remained unmoved.

Notices had already appeared in the local newspapers concerning the creation of the new association and the competition to replace the position of general director. Meanwhile the minister's order concerning the liquidation of the old associations, as concerning the creation of the new one also, had not at that time reached us in Novokuznetsk. Is the minister out of tune with the State Enterprise Act?

But this is not the main problem. I simply cannot comprehend either the economic or engineering essence of the creation of the "Prokopyevskgidrougol" and the liquidation of the country's sole All-Union Research and Planning-Design Institute for Hydraulic Coal Mining. They wish to merge it with the Prokopyevsk Kuznetsk Coal Research Institute, which has its fill of its own vital concerns pertaining to the creation of equipment for "dry" mining. This will cause nothing but harm. Our scientists have research efforts which promise to raise the efficiency of hydraulic mining even higher. It is estimated that were we to fulfill the quotas of the USSR Energy Program dealing with hydraulic mining, the savings from this would be the equivalent of R2.6 billion. Our association is capable today even of passing on technology and rendering services pertaining to the development of hydraulic mining to other associations and coal basins. Nothing prevents the development of this mining method in Prokopyevsk either. But why on earth do we need to break up the "Gidrougol" base association for this?

"Gidrougol" has done much to fulfill party congress decisions on the development of hydraulic coal mining technology. We have now reached the position where the process stock created in the time of the association's existence is beginning to come to fruition. Every year we increase coal production by 1 million tons. Pits whose construction has begun are coming on stream and bringing up to the surface small coal with low production costs. And it is sinful that sector headquarters has ventured on this perturbation precisely now, when the time for harvesting the fruit of many years of persevering labor is ripe.

Many of the sector headquarters' actions are altogether inexplicable from the viewpoint of sound economics. We had begun to build at an unworked deposit the "Antonovskaya" hydraulic mine. Its planned productivity was 302.2 tons of coal per worker a month. The cost per ton was R8.41, and the estimated cost of industrial construction, a little more than R500 million. But, taking as the basis the prejudiced and erroneous idea that hydraulic mining is less efficient at gently sloping seams, the ministry reserved the "Antonovskaya" design with traditional technology for specialists from fraternal Poland. Some R2.6 million for completion of the design were taken without our consent from the association's account. And the design is now ready. It provides for a productivity of 199 tons per worker a month, the cost of a ton of coal of R31 and an estimated cost of the entire complex of approximately R3.2 billion! Having familiarized themselves with the possibilities of hydraulic mining on the spot, incidentally, the Polish specialists also advocated the joint design of a hydraulic mine, but the Ministry of Coal Industry did not heed their advice.

One has the impression that sector headquarters cannot overcome settled ideas and a kind of "hydrophobia," reiterating the old legends about the fact that hydraulic mining is a bad thing. Yet its advantages have been

recognized by practical Western businessmen. The Kaiser and Mitsui Mining firms have purchased licenses for the hydraulic mining technology created in our association. American and Japanese industrialists are now building hydraulic mines. At one such a mineworker's monthly productivity has risen to 600 tons. Nor is the way to this beguiling frontier barred to ourselves either, I believe.

What economic expediency might explain so strange a choice of making the "Antonovskaya" a "dry" mine, despite the unprecedented growth of outlays compared with the hydraulic mine option? Economics here are a secondary consideration, the priority, on the other hand, being departmental interests drawn toward the outdated "costs" management model. In the 1970's the "Raspidskaya," mentioned earlier, also came to be built originally as a hydraulic mine—with a planned productivity of 280 tons of coal per worker a month. Today—as a "dry" mine—productivity here is precisely half as much. Former Minister B.F. Bratchenko also looked askance at hydraulic mining and insisted that the "Raspidskaya" be built in accordance with traditional technology. However, its switch to a "dry" track was categorically prevented by the author of hydraulic mining—V.S. Muchnik, then director of the All-Union Research and Planning-Design Institute for Hydraulic Coal Mining.

Lest he be a "hindrance," the minister dismissed Muchnik. And the same, seemingly, is happening today also. All imprudent reorganizations, which are not being undertaken for the first time, incidentally, and the switch of the "Antonovskaya" to the "dry" production method are being actively opposed by A.Ye. Gontov, general director of the "Gidrougol". And the ministry has long been looking for a way to "remove" him. It is not fortuitous that the minister has in recent years repeatedly attempted to dismiss him on a variety of contrived pretexts and motives.

We only elected a general director 6 months ago. And now new elections are being foisted upon us already. This seems to me most blatant reprisal not only for resistance to unnecessary ruinous reorganizations but also for fearless criticism of sector headquarters, which has resounded both in PRAVDA and at worker meetings.

8850

ELECTRIC POWER GENERATION

Power Industry Workers' Tasks Outlined
18220078 Moscow *ENERGETIK* in Russian
No 4, Apr 88 pp 1-2

[Editorial: "A Worthy Greeting for the 19th All-Union Party Conference"]

[Text] Active preparation is going on in our country for the 19th All-Union Party Conference.

The collegium of USSR Minenergo [Ministry of Power and Electrification] and the Presidium of the Central Committee of the Trade Union of Electric-Power Station and Electrical-Equipment Industry Workers approved at a joint session on 19 January 1988 the basic directions of the labor of USSR Minenergo workers for 1988, as well as the initiative of the laboring collectives of the Kostromskaya and Konakovskaya GRES's and advanced brigades of Mosenergostroy [Moscow Trust for the Construction and Installation of Thermal Electric-Power Stations], which adopted commitments to carry out the tasks of the third year of the five-year plan by the opening of the 19th CPSU All-Union Conference.

Having mastered the new operating methods after promulgation of the USSR Law on the State Enterprise (or Association) and after the introduction of economic self-sufficiency, the laboring collectives of USSR Ministry of Power and Electrification supported these patriotic initiatives and adopted socialist commitments for 1988.

The main task is to provide the national economy with a reliable and uninterrupted supply of electrical and thermal energy, while maintaining the standard current frequency. For this purpose it is planned to bring electric-power generation up to 1,429.9 billion kWh (not counting AES power) and to carry out the tasks of the third year of the five-year plan by Power Workers' Day, with the annual utilization factor of the installed capacity brought up to 73.9 percent. Power workers consider observance of the dispatcher-prescribed load curve an immutable law in the work of each power-system.

A decision to execute a set of measures for increasing power-enterprise reliability, to eliminate capacity restrictions at existing electric-power stations in the amount of 3 million kW, to modernize equipment having a total capacity of 5.2 million kW, and to extend the service life of equipment having a total capacity of 3 million kW.

No less than 500,000 tons of standard fuel equivalent should be saved by improving the maintenance and repair services of the industry's thermal electric-power stations.

Major steps will be taken within the power-grid activity. In order to support the distribution of AES power and to increase reliability of the power supply of regions that are experiencing electrical shortages, it is planned to increase the throughput of intersystem ties of the USSR's YeES [Unified Electric-Power System] by a total of 1,200 MW, by improving electrical operating parameters, refining control actions, and putting into operation new automatic devices for coping with outages. Measures are to be developed in order to support the stability of parallel-operation modes of 1,150 kV AC and 1,500 kV DC power-transmission lines. The contemplated

expansion in the amount of work done on power lines while under load will enable idle time for repair work to be reduced by 8 percent more than the planned amount.

If the power supply for rural customers is to be further increased substantially, it will be necessary to overhaul 459,000 km of 0.4-10 kV power lines and to provide a reserve feed for at least 2,490 category 1 customer facilities.

Based upon improvement of repair technology and the organization of repair operations and upon an increase in the ratio of mechanized equipment to repair personnel, the downtime for power equipment undergoing repair will be reduced by 0.5 percent more than that called for by the plan, and in this way at least an additional 250 million kWh of electricity will be generated. The overhaul and intermediate equipment-repair plan for the first half of the year is to be completed by 20 June 1988.

The efforts of builders, operators and scientists to fulfill the USSR Power Program and, in particular, to accelerate the construction of AES's, hydroelectric and large thermal power stations fired by inexpensive coal from eastern fields must be mobilized.

The progressive turnkey method for constructing facilities is to be introduced widely. At least 11.8 million kW of new power capacity are to be put into operation, and capacity is to be increased by 740 MW by reequipping and rebuilding power stations. Thirty-one thousand six hundred kilometers of power lines of 35 kV and higher voltage are to be built.

A commitment has been adopted to celebrate the year of the 19th All-Union Party Conference by introducing and assimilating power capacity ahead of schedule. Reductions will be made in the time taken to assimilate newly introduced power units: units No 5 of 800 MW at the Surgutskaya GRES-2 by 3 months, No 2 of 800 MW at the Permskaya GRES, and No 3 of 250 MW at the Yuzhnaya TETs of Lenenergo [Leningrad Regional Power-Management Administration] by 1 month, while the power unit at the Severodvinskaya TETs-2, a 60-MW turbine unit at TETs-22 of Mosenergo [Moscow Regional Power-Management Administration], a 500-kV overhead power line from the Surgutskaya GRES to the Polotskaya Substation, a 110-kV overhead power line from Belozernaya to Sorominskoye, and a 35-kV overhead power line for the Severo-Alekhtinskoye field are to be introduced 1 month ahead of schedule.

By the opening of the 19th All-Union Party Conference, it is planned: to introduce ahead of schedule the 110-MW No 5 turbine unit of the Alma-Atinskaya TETs; to convert the Smolenskaya AES-Bryansk overhead power line to its nominal voltage of 750 kV; to conduct systems tests on the 1,150-kV Ekibastuz-Kustanay overhead power line in order to prepare for its

operation; to modernize the equipment of the Nurekskaya GES, increasing its capacity to 300 MW and fulfilling the five-year plan's 1988 plan in regard to the output of consumer goods; and to introduce into operation 700,000 m² of housing, schools for 9,028 pupils, polyclinics for 1,030 outpatients, hospitals for 227 beds, and kindergartens and nurseries for 3,890 children.

By the 71st Anniversary of the Great October Socialist Revolution, the 110-kV Muravlenkovskaya-Severo-Pyramalikhovskaya overhead power line will go into operation, and by Power Workers' Day power units No 5 of 1,000 MW of the Zaporozhskaya AES and No 7 of 250 MW of TETs-26 of Mosenergo, turbine No 3 of 120 MW of the Kureyskaya GES, four turbines of 24 MW each in the city of Mirnyy, as well as a number of overhead electric power lines, including the 500-kV Bratsk-Novosiminskaya Substation, the 500-kV Surgut-Kolmogory, the 500-kV Regar-Surkhan, the 220-kV Tengiz-Beyneu, and other lines will be put into operation.

Important landmarks are to be reached in accelerating scientific and technical progress within the industry and in introducing new equipment and technology. In particular, solid-fuel fired power unit No 1 of 800 MW capacity at the Berezovskaya GRES-1 is to be assimilated; the first step in assimilating the new GTE-150 type gas-turbine installation with a designed gas temperature of 1,100 degrees C at GRES-3 imeni R. E. Klasson in Mosenergo is to begin; at the Estonskaya GRES the buildup in the UTT-3000 installation's capacity for the power-engineering processing of Baltic shale is to continue, lengthy parallel operation of two units is to be assimilated, and at least 300,000 tons of shale are to be processed, obtaining quality-standardized output; the creation of an industrial-test installation with an air-fronted furnace extension, based on the PK-19 boiler of the Dobrotvorskaya GRES, is to be completed, and this boiler, which is fired by low-grade Lvov-Volyn coals, is to be introduced. With a view to obtaining baseline data for creating power installations based on renewable energy resources and new technologies for using low-grade fuels, it is proposed to perform a set of startup and setting-up operations and scientific research on experimental windpower installations in the Dagestan ASSR and on the SES-5 solar electric-power station in the Crimea; on test beds with circulating fluidized bed in the Kazakh NII [Scientific-Research Institute for Power Engineering]; and on the ETKh-175 energy-technology installation of the Krasnoyarskaya TETs-2. The use of inventions and innovators' suggestions will enable a saving of at least 185 million rubles to be obtained in power engineering.

The task of energizing work to protect the environment has been set. For this purpose, startup and setting-up work on industrial-test sulfur-trapping installations of the Dorogobuzhskaya and Gubkinskaya TETs is to be completed in the first half of 1988, and these installations are to be transferred to test operation in order to master their operation at the design parameters in July 1988.

In 1988, perform at existing power stations the following nature- conservation measures: suppressing nitrous oxides at 30 boilers, rebuild fly-ash collectors at 28 boilers, and reduce discharges of polluting effluent and recycle it at 25 power plants. Through these measures, reduce discharges of harmful substances into the atmosphere by 100,000 tons and cut discharges of polluting effluents into natural water bodies by 34 million m³.

The successful fulfillment of plans for the industry's economic and social development should promote a rise in the workers' labor and political activity, strengthen order and discipline, and raise the qualifications of blue-collar workers and specialists.

Twenty-six thousand young blue-collar workers, 5 percent more than in 1977, will be trained in our own vocational and technical schools and under contract arrangements, 16,000 of them in construction work. It is planned to train and to teach new second and related trades within the interconnected power grid and at the ministry's enterprises in 1988 to at least 147,000 persons, 1.5 percent more than last year, 44,000 of them blue-collar workers from power engineering. Raise the occupational skill levels and qualifications of 350,000 blue-collar workers, which is 22,000 more than during 1987, 90,000 of them to be taught about new equipment and new technology, 98,000 to be taught in schools for advanced methods, and 13,500 brigade leaders to be taught to be supervisors of primary working collectives.

It is proposed to reduce personnel turnover throughout the branch by 5 percent more than in 1987 and to reduce worktime losses in construction by at least 15 percent.

It has been decided to improve considerably housing and social and domestic amenities for power workers and power builders, as well as their working and living conditions and their recreation. For this purpose it is planned to put into operation throughout the USSR Minenergo system 2.17 million m² of housing, plus 9,000 m² above the plan for the construction of AES's and, moreover, of kindergartens and nurseries for 11,710 children, primary and vocational-and-technical schools for 13,000 pupils and students, hospitals with 730 beds, polyclinics for 2,550 outpatients per shift, and 42,000 m² of housing in housing-construction cooperatives.

It is planned that important steps will be taken in the area of work safety, including provisions for workers' premises for sanitary and domestic-amenity purposes in accordance with existing norms, and working conditions are to be improved (reduction of noise, vibration, dustiness and gas pollution and the provisioning of standard temperature and illumination parameters) for 30,000 blue-collar workers, including 6,200 women.

Shopping and public eating facilities and the production of produce at subsidiary farms will be further developed. It is planned to increase 2.4-fold over 1987 the production of consumer goods and to realize sales thereof worth

56 million rubles. The volume of consumer services realized should be 289 million rubles, which is 30 percent above the 1988 goal. It is planned to obtain 9,200 additional tons of meat and 5,650 additional tons of fish at subsidiary farms.

It is planned to construct in power workers' towns and settlements 16,300 m² of shopping space, public eating enterprises for accommodating 9,000 persons, and vegetable storage capacity of at least 5,700 tons.

In order to carry out successfully the program planned for 1988 for introducing new power capacity and facilities for social, domestic- services and cultural purposes, increased commitments have been adopted for the development of a construction base and of a base for the branch's construction industry. In particular, this year it is proposed to obtain an economic benefit of 322 million rubles by implementing measures for new equipment and for nationwide scientific and technical programs and industry programs for construction work and the construction industry, to release 18,000 persons provisionally, and to introduce enterprises for producing 342,5 m³ of prefabricated reinforced concrete, 240,000 m² of housing- construction parts, and 41,000 tons of metal constructional structure.

An important element of the construction complex—the construction industry—has decided to assimilate capital investment for the construction of its enterprises by 25 December 1988 and, by reducing the prime cost for producing output, to obtain 6 million more rubles of profit.

It is planned to introduce new capacity in the construction industry: a large-panel housing-construction plant at Kodinsk with a capacity for producing 120,000 m² of total space per year, capacity at the Balakovo Special Construction-Industry Plant for producing 14,000 m³ of reinforced concrete and 3,450 tons of metal constructional structure per year, a plant at Dno for making steel constructional structure with a capacity of 40,000 tons of constructional structure per year, and plants for making corrosion- resistant coatings at the Tbilisi Combine for Subsidiary Enterprises with a capacity of 10,000 tons of output per year; and to complete at the Bratsk Reinforced-Concrete Combine the rebuilding of a plant for three-layer panels with a capacity of 35,000 m³ of panels per year.

It is planned to provide in 1988 for realization of the industry's five- year program for expanding the use of ash and slag from thermal power plants in power-engineering construction in the amount of 3.9 million tons this year, including 508,000 tons in construction for the production of 508,000 tons of building materials; and to fabricate and conduct acceptance tests on 46 test models of new and effective construction equipment.

Power workers and power-engineering construction workers are actively supporting the CPSU's strategic policy for accelerating the country's social and economic development and the party's decisive struggle to update our society during the new stage of restructuring. During the labor campaign in honor of the 19th All-Union Party Conference they are persistently striving to bring into being the basic aims of the industry's operation for 1988 and the socialist commitments for the current year.

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Baltic GRES Reconstruction Raises Environmental Issues

18220067 Tallinn SOVETSKAYA ESTONIYA in Russian 30 Mar 88 p 2

[Interview by A. Favorskaya with ESSR Academy of Sciences Academician Endel Lippmaa: "The Baltic GRES and Its Problems"]

[Text] *The press discussion regarding the reconstruction of the GRES [state regional electric power plant] has already brought to light a number of instances that are important not only from the point of view of power engineering, but also that of the population of the region. The moral and ethical aspects of the matter, assuming a responsible attitude of departments toward correctly informing society, have made themselves known. Among those who see this as a guarantee of the considered nature of decisions being made is ESSR Academy of Sciences Academician Endel Lippmaa, who spoke with our correspondent.*

[Question] Endel Teodorovich, your viewpoint on the plan for expanding the Baltic GRES in its current form is of interest, as is your attitude toward what has already been stated in the press about it.

[Answer] First and foremost I would direct attention to the fact that contradictory data have appeared in the newspapers. On the one hand, it has been published that power capacity will be built in Narva, although there is already a concentration of harmful substances in the air there that exceeds the allowable norms, while some pollutants, for example sulfur dioxide, are even spreading beyond the bounds of our territory, which is extremely undesirable from the point of view of international agreements. On the other hand, some comrades from Estonglavenergo [Estonian Power Engineering Main Administration] and the Baltic GRES are writing that the new construction poses no threat whatsoever to the environment, and even the converse.

For example, Comrade A. Osman, the chief of Estonglavenergo, writes in your own newspaper on February 11 how the maximum concentrations of harmful discharges

will decrease compared to the maximum allowable concentrations (MAC). Dust and ash by one and three-tenths times, and sulfur dioxide by an average of three times. But the comrades from the Baltic GRES—the chief of the technical production department, V. Iserlis, and the chief engineer, J. Maarend—quote different figures on March 4, strangely enough: "All of this will make it possible, after the construction of the fifth phase, to reduce... surface concentrations of ash by three or four times, and sulfur oxides by two and six-tenths times." As they say, who to believe?

But we have even other documents at our disposal. For example, the conclusions of an expert review by the USSR Ministry of Power and Electrification [Menergo] itself on 18 Sep 87. What is noted therein regarding the plan for the fifth phase? That the work of the Baltic GRES is already typified by considerable discharges of ash from the smokestacks that exceed the MAC by 2.5-3 times and that the ash dumps periodically highly pollute the water in the Narva reservoir. (And the Narva reservoir—as you know—is the drinking water for the region.) It was also noted that after the expansion of the GRES, gross discharges of pollutants will be so great that the maximum surface concentration of dust (ash) will be 0.28 milligrams per cubic meter. To this must be added the fly-ash discharges from the Estonian GRES, which, according to data from Teploelectroproyekt [All-Union State Institute for the Planning of Electrical Equipment for Heat Engineering Structures] from 1980, comprises 0.41 mg [milligrams] per cubic meter at a distance of 3 km [kilometers] from the station and 0.22 mg at a distance of 30 km. (And the maximum allowable cumulative norm is 0.3 mg/cubic meter.) This means that pollution will be higher rather than lower than the MAC, as your esteemed colleagues Osman, Iserlis and Maarend write. By the way, I could say that there is a MAC for such ash that is six times more strict, because this is aggressive ash, extremely harmful to health.

[Question] I agree with you that the MAC should probably be only tightened. But it seems that we are now working with figures that are not wholly comparable. After all, for other pollutants—sulfur oxides, nitrogen—the picture seemingly promises to be more favorable—their concentrations will be lower than the maximum allowable norms.

[Answer] But look at this document. It is the technical and economic substantiation for the comprehensive protection of the environment for the Estonian GRES. The authors are the USSR Ministry of Power and Electrification, Glavnii proyekt [Main Administration for Scientific-Research and Planning Institutes] and the All-Union State Order of Lenin and Order of the October Revolution Teploelectroproyekt Planning Institute (its Riga division). December of 1980. What calls attention to itself here? For example, the map of the dispersion of harmful discharges into the atmosphere from the Baltic and Estonian GRESs. Look—the shaded area of especially strong pollution, that is, that exceeds the MAC.

The shading encompasses Narva, the Narva reservoir and reaches almost to Sillamjää. This means that the impermissible pollution has existed for a long time already.

The expansion and reconstruction of the Baltic GRES cannot remove this problem. Notwithstanding the higher smokestacks and the new boilers, harmful gaseous discharges will exceed the MAC in the future as well. The point is that according to the prevailing rules, the harmful effects of the sulfur dioxide and nitrogen oxides must be totaled and their background content (basically from the Estonian GRES) must be taken into account. As was demonstrated in a letter of 21 Mar 88 from the ESSR Academy of Sciences to the republic Council of Ministers, the maximum one-time allowable threshold concentration of gaseous discharges will be exceeded by one and a half times as a result.

[Question] But then on what grounds do the aforementioned colleagues cite such data?

[Answer] They are simply incorrect data.

[Question] But could it be that they have in mind new environmental-protection measures incorporated into the plan that do not exist yet and that will radically improve the situation at once?

[Answer] That is not foreseen. After all, the expansion is just a very limited percentage of the total capacity of the two electric-power plants. And even if it provides no additional pollution, this will not improve the future situation. What our comrades V. Iserlis and J. Maarend write about cannot be: that "capacity will increase, while the air and water will become cleaner." This is fundamentally impossible. We have already spoken of the dust (the exceeding of the MAC is preserved even in the event of the application of the latest electronic filters). The quantity of gaseous discharges and polluted water depends directly on the quantity of shale burned. The air and water will become cleaner only in the event of a drop in the output of electric power, that is, a reduction in the average capacity of the Baltic GRES.

[Question] Excuse me, but after all the representatives of Minenergo say that we will leave what is operating now, and build the new, which will have greater environmental-protection ability. The picture has seemingly changed somehow then? It could seemingly be controlled?

[Answer] Of course. If we build, instead of the Estonian and Baltic GRESs, completely new electric power plants, truly modern, with wet suppression of sulfur dioxide and traces of fly-ash. Then—yes. But that is not even being planned. Conventional measures are being planned that have not been implemented at existing plants, due to which the dust and sulfur dioxides are too much.

Furthermore. Recently the State Committee for the Protection of the Atmosphere for the ESSR cancelled its consent for plans for maximum allowable discharges and the decisions that had been made on discharges from the expansion of the Baltic GRES. Readings established that the actual discharges of sulfur dioxide were 30 percent higher, and those of nitrogen oxides 65 percent higher, than the data presented in state reports and the plans for maximum allowable discharges. This means that matters are actually worse than supposed.

Taking all of this into account, the minutes of a meeting on issues in the development of power engineering on the territory of the Estonian SSR in the 12th and 13th Five-Year Plans in Tallinn on January 26 of this year resolved that USSR Minenergo [Ministry of Power and Electrification] will submit the ecological portion of the plans for the Baltic GRES expansion for the expert analysis of USSR Goskompirod [State Committee on the Environment] and will do additional work to observe the requirements of environmental protection.

[Question] We should logically proceed from the conclusions of this expert analysis, correct?

[Answer] Quite so. And this means, I repeat, that our colleagues published groundlessly optimistic data in the newspapers without regard for the requirements of environmental protection and, most importantly, the interests of the people of the city of Narva, who will inhale this dangerous dust and sulfur dioxide and drink the water polluted by this dust. I thus cannot agree with their conclusions. But this is still perhaps not everything.

[Question] You want to quote something else?

[Answer] Yes. Here they write in the pages of the newspaper that the suppression of sulfur oxides from the exhaust gases is supposedly not required at all, that the shale contains calcium oxide, which combines with the sulfur to the essential extent. This is unfortunately also not so. After passing through the combustion zone, the calcium oxide particles are in a low-activity state chemically, and special installations are needed for the removal of the sulfur oxides, either the wet scrubbing of the exhaust gases, or using a very low temperature gas with the spraying of water at a strictly defined instant. The almost complete removal of sulfur oxides from the gas is then achieved. There exists such equipment, but we don't have it. The Finnish firm of Imatran Voima, for example, sells such installations around the world and, by the way, their capacity corresponds exactly to our boilers. And Deputy Minister Comrade Yu. Kirillov writes calmly that we have not installed gas-scrubbing installations anywhere because they have yet to be developed, and in general, he says, is very expensive. And who will suffer from this position of Comrade Kirillov? The population of Narva and Sillamjää, the residents of Slantsy and this region overall.

There is yet another important element that the expert analysis addresses. Let's see here... Here: the plan for the amount of harmful discharges will be fulfilled on the condition that the GRES will consume a quantity of shale no greater than before the expansion. That is, if we want to observe the international agreements, we should reduce the hours of operation of the new electric-power plant (the conventions, ratified in 1983, envisages a reduction in cross-border discharges of thirty percent, and that is the only way to achieve it). What is the result? We will build using old technology, ignoring equipment already existing on the world market—and we will be unable to utilize the plant to full capacity? I do not think that makes sense. I also think that there are grounds to doubt the seriousness of the ministry for another reason. Look at the table of measures Minenergo will take in 1985-90 to reduce harmful discharges into the atmosphere to the stipulated norms (as approved on 13 Mar 87). What do we see? That money for the removal from operation of ten out of twelve old boiler units will be used up until the end of 1995. Does this mean that the old boiler units will be in operation right up until then, and they will not be removed from operation, as the ministry is promising? (The dismantling deadline in the plan is 1993.)

[Question] This document was not reviewed?

[Answer] This is the latest.

We are thus spending half a billion rubles on a GRES, but to what end? I feel that we must build in contemporary fashion, in such a way that the new capacity can really be utilized completely without violating international obligations. The irrational expenditure of money is harmful to everyone. It is useful only to the ministry, which can seemingly "prove" that it is working actively: new capacity is being started up. Moreover, if the construction of the new electric power plant in Narva proceeds, then in connection with the GRES expansion more housing will have to be built in the city before the end of the century than in Tallinn.

[Question] We're getting into the social aspects...

[Answer] Yes, this is a social issue. After all, more and more people will be working and living under conditions that are markedly harmful to health. And this is not just the pollution of the air and water. The routine repairs of new boilers (and here, in the fly ash and the deposits in the pipes, are concentrated some exceedingly dangerous heavy elements) also pose a danger: as before, many employees will have to work right in the boilers, under conditions that really are impermissible for health.

I think that this is unwise on the part of Minenergo—to act in a matter so important to us all using administrative methods: there is no final consent from the republic, but the GRES is almost completely built already.

[Question] But why aren't the Narva authorities themselves protesting as you are?

[Answer] I think the city authorities have been misinformed and believe the published assertions that the "capacity will increase, but the air and water will become cleaner." Engineers and specialists evaluate these data critically. How can the city authorities do that?

[Question] There are also engineers among the "city fathers."

[Answer] That is precisely why we should ask them to participate in the discussion! After all, our aim is to find a sensible solution. Because the one proposed by the ministry is foolish.

[Question] But maybe Minenergo has promised the city that it will solve a number of other urgent social problems along the way? The republic, after all, allots practically no funding to Narva to satisfy even its paramount needs. Isn't that why Narva would jump at a department that promises all of this? Isn't that the problem?

[Answer] Maybe so. And we must speak openly of this, and not only speak, but solve the problem. But we must not forget that it is this same ministry that is poisoning life in Narva. By the way, I want to send copies of all this material to the newspaper.

[Question] Thank you. Because the information really is very contradictory.

[Answer] Unfortunately, our ministries can calmly present inaccurate data without fear of punishment. No one will be fired.

By the way, take a look: this is the same gas-scrubbing unit I was telling you about, the Finnish equipment. Quite a simple design, isn't it? Here is the "widget" that our industry really cannot make!

[Question] Why can't they make it, anyway?

[Answer] Because it's cheaper to get by without it! And the interests of the population, even their own workers, do not trouble the ministry. Its own workers are sitting far away, they won't be living in Narva and Sillamjõe. Cynical?

[Question] But also quite cynical, in my opinion, is the fact that the resort of Narva-Jõesuu is failing, the city does not even have a minimal sewage system—and no one in the republic is losing sleep over it. Why don't we live in Narva?

[Answer] Let's write about that. I feel that we should think of the lives of the Narva and Sillamjõe residents in precisely the same way we are concerned about the population of Tallinn, Haapsalu, Pärnu or wherever else you please. What is harmful to Narva is harmful to the

republic. And, this means, to the country. After all, we are part of it. We cannot do what is clearly in conflict with the interests of the population and the region for the sake of departmental interests.

[Question] But there exists the opinion that scientific and technical progress is impossible without sacrifice and that every republic should in turn bear these sacrifices.

[Answer] The sacrifices are not actually necessary, they are artificial and caused by inertia. Is the "widget" we spoke of earlier really beyond the capabilities of our country? Or wet-gas scrubbing?

[Question] And from where, Endel Teodorovich, did you get these documents? Did the ministry itself willingly give you this information that exposes it?

[Answer] We at the institute, you know, have been occupied for a long time with questions of the pollution of the air and water, and thus we naturally collect the corresponding materials, especially about installations with solid fuels. We are collaborating, for example, with Gidrometsluzhba [Main Administration of the Hydrometeorological Service of the USSR Council of Ministers]. And this is not closed data at the ministry itself either. In short, as you can see, all the preconditions exist for a discussion and for the development of sensible technological solutions.

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Minister Reviews Uzbek Power System

18220069 Moscow ELEKTRICHESKIYE STANTSII in Russian No 3, Mar 88 pp 2-7

[Article by M. S. Tashpulatov, Uzbek SSR Minister of Power and Electrification: "Power Engineering of Uzbekistan Following the Course of Acceleration"]

[Text] The Uzbek power system is the largest of Central Asia's and is one of the largest in the Soviet Union. At the start of the 12th Five-Year Plan, the total rated capacity of the republic's electric-power stations reached 9,715,000 kW; the capacity of the thermal electric-power stations was 8,579,000 kWh, or 91.6 percent; and the length of the power lines of all voltages was 198,300 km.

The laboring collectives of Uzbekistan's power-workers basically have coped successfully with the task of supplying power for the republic's economy during the current five-year plan.

The Main Directions for the Economic and Social Development of the USSR for 1986-1990 and for the Period up to the Year 2000 presents high requirements for full and reliable support of the economy with electrical and thermal energy. The Uzbek power system has developed

and taken steps to fulfill the decisions of the 27th CPSU Congress and the tasks of the 12th Five-Year Plan, including the comprehensive plan for the technical, social and economic development of UzSSR Minenergo [Ministry of Power and Electrification] enterprises for 1986-1990, Intensifikatsiya-90, based on an acceleration of scientific and technical progress.

During the new five-year plan, the power system's rated capacity should grow by 26.7 percent, the utilization factor by 18 percent; electric-power generation should be increased by almost 29 percent, labor productivity by 15 percent, and profit by 18 percent.

The first year of the 12th Five-Year Plan was difficult for Uzbekistan's power workers. A most severe water shortage led to complete depletion of the reservoirs at hydro-power stations of the Central Asian OES [Interconnected Power System], which operated practically on household and irrigation runoffs. Interruptions in mazut and natural-gas shipments were experienced, especially during wintertime peak loads. Coal had to be brought in from Siberian fields for operation of the Novoangrenskaya GRES because of delayed rebuilding of the Angren Strip Mine, a coal for which neither the power-station's equipment nor the rail activity was designed.

Serious difficulties in operation of the powerline activity were caused by overloading of the transformers of some 110-220 kV substations because of deviation from the design specifications.

At many power-system enterprises there was a large amount of obsolete and wornout equipment, a fact that often reduces to naught the efforts of the laboring collectives to provide a continuous power supply for the customers.

Great difficulties arise during substation and power-transmission line operations because of the incompleteness of equipping with vehicles and mechanisms with off-the-road capability and with spare parts and materials, especially for equipment for 500-kV substations and overhead power lines. The power workers' requirements for housing, children's institutions, dispensaries, recreation areas and other facilities for social, cultural and domestic-services facilities were not by far satisfied completely.

These and other unsolved problems require the active participation of all of Uzbekistan's power workers in restructuring, in light of the resolution of the January 1987 CPSU Central Committee Plenum.

The power system's laboring collectives took the first steps in restructuring and acceleration in 1986. Despite the reduction in electric-power generation at GES's by more than 10 percent below that of the water-short year of 1985, the power requirements of the republic's economy, as set by the consumption plans, were met. Electric-power generation increased by 9.7 percent, and by

almost 12 percent at TES's. Capacity outages of more than 350 MW of were eliminated. USSR Minenergo's tasks for in-house consumption of electricity, for transmitting power over power lines, and for release of heat were carried out. Labor productivity rose by 5.3 percent over 1985, more than 93 percent of the growth having been achieved through an increase in the utilization effectiveness of the equipment installed.

More than 1,350 organizational and engineering measures for speeding up scientific and engineering progress, reequipping existing enterprises, increasing the reliability and economy of equipment operation and of the customers' power supply, improving and increasing the quality of equipment overhaul, mechanizing and reducing manual labor, and improving working conditions and work safety were carried out. Measures were introduced in accordance with the results of scientific research and development by KhFTsKB [KhF Central Design Bureau], SAF [Central Asian Branch] of VNIIPromgaz [All-Union Scientific-Research Institute for Gas Utilization in the National Economy and the Underground Storage of Crude Oil, Petroleum Product and Liquefied Gases], UralVTI [Ural Branch of the All-Union Heat-Engineering Institute imeni F. E. Dzerzhinskiy], and VNIIE [All-Union Scientific-Research Institute for Electric-Power Engineering], and other design developments for a system for cooling the exhaust ducts of Navoiyskaya GRES K-210-130-3 turbines, for a water-injection system and a scheme for the graduated combustion of gas of boilers at the Tashkentskaya TETs, for a technology for reactant processing of water at the Navoiyskaya GRES during the replacement of coagulants by flocculants, for a methodology for chromatographic analysis of gas from turbogenerator casings with a view to diagnosing the nature and development of damage, and for a number of other operations, which were produced by Uzenergonaladka [Uzbek Enterprise for Setting Up Power-Engineering Equipment, were introduced.

Work with personnel has been changed. The USSR Law on the State Enterprise (or Association) is being studied deeply in all organizations of the power system. Preparations are being made for converting the power system to self-financing and complete economic accountability. Training of personnel in making a personal contribution to the creation of profit as the source for forming and adding to economic-incentive funds is being performed, based on courses at the USSR Minenergo training combine and at power-system enterprises. Each power-system worker undergoes a check on his economic knowledge and the USSR Law on the State Enterprise (or Association) during his certification.

Restructuring work performed within the power system has yielded positive results.

At the same time, in analyzing the results achieved, the collegium and the party, trade-union and Komsomol organizations of Uzbekistan's Minenergo have taken a

self-critical approach to evaluating them, in light of the decisions of the 27th Congress and the June 1986 and January 1987 CPSU Central Committee Plenums.

The results of the analysis indicated a need for more earnest, more persistent restructuring of the power system's work in all spheres of activity, primarily in the organization of operations and in the forms and methods of the work of applying proper order and discipline and of creating stable collectives at the Mubarekskaya TETs and the Novoangrenskaya GRES, which are under construction, and especially at the Talimardzhanskaya GRES, at which the first power unit of 800,000 kW should be introduced in 1989.

By the end of the five-year plan the power system is expected to have a shortage of generating capacity in the neighborhood of 2 million kW, so we clearly see that without an energetic breakup of deep-seated attitudes and habits, we will not be able, working under the old methods, to provide a complete and reliable power supply for the economies of Uzbekistan, neighboring Central Asian republics, and the southern regions of Kazakhstan.

Uzbekistan's power workers are taking steps to see to it that the set of measures that have been developed for fulfilling 27th CPSU Congress decisions and 12th Five-Year Plan task will be carried out unconditionally, enabling:

a further buildup of capacity to 1.8 million KW at the Novoangrenskaya GRES, to 520,000 kW at the Takhia-tashskaya GRES, and to 800,000 kW at the Talimardzhanskaya GRES to be provided for;

turbines of the Tashkent, Navoiyskaya and Angrenskaya GRES's to be rebuilt and converted to a district-heating operating mode in accordance with feasibility calculations that have been worked out, and about 2 million tons of standard fuel equivalent to be saved daily;

the design, construction and assimilation of a single-pipe heat-supply system for the city of Tashkent from the Tashkentskaya GRES to be provided for, enabling reliability of the heat supply for the republic's capital to be provided for and 14 million rubles of capital investment to be saved versus the expenditures spent on a two-pipe system;

a solar casting yard for making prefabricated reinforced-concrete power-engineering constructional structure in the amount of 5,000 m³ per year to be constructed; and

the execution of overhaul by the in-house method to be introduced at the Navoiyskaya GRES and the Ferganskaya TETs, and also departments and shops for the individual overhaul of circuit-breakers, disconnectors and other power-grid equipment to be organized at

power-system enterprises, and a number of other operations to be accomplished which will yield high economic benefit and will increase operating reliability and improve work safety.

Large-scale work is to be done to increase the yield on capital and labor productivity and to reduce the prime cost of the output. The paramount task here is to eliminate power interruptions at thermal electric-power stations in the amount of 782 MW and to convert the Novoangrenskaya GRES and the Mubarekskaya TETs to the profitable-enterprise category.

The power system has developed a program for rebuilding and reequipping thermal power stations, under which SAOATEP [Central Asian Division of Institute for Nuclear and Thermal Power Plant Design] will develop feasibility calculations (TER's) for rebuilding and reequipping the Angrenskaya and Kuvasayskaya GRES's, the Ferganskaya and Tashkentskaya TETs's, and the TETs Zarya Vostoka.

In 1987 the development of TER's for reequipping the Tashkentskaya and Navoiyskaya GRES's and the Kokandskaya and Katta-Kurganskaya TETs's was completed.

SAOGidroenergoprojekt [Central Asian Division of the All-Union Trust for the Design of Hydroelectric Stations and Installations] is developing TER's for rebuilding and reequipping the Farkhadskaia GES, the cascade of Chirchikskaya GES's, and four more stations of other cascades.

One of the most important principles of the 27th CPSU Congress's documents is the execution of an energy-saving policy based on scientific and technical progress in all branches of the national economy. Uzbekistan Minenergo's measures call not only for effective actions to save fuel, electricity and other material resources at power-system enterprises but also for an active interaction with the forces of the State Inspectorate for Industrial Power Engineering and Supervision of Power Engineering in executing the energy-saving policy at the customers' power facilities by replacing and modernizing the installed equipment, using secondary resources, improving standards planning, improving automation of the reporting and information activities, and improving monitoring of the consumption of electrical and thermal energy.

In recent years the mineralization of feed waters has increased sharply in Uzbekistan because of the increase in irrigated lands and the intense use of chemical fertilizers, and, as a result, the standard chemical water-treatment facilities at electric-power stations and boilerhouses are not in a position to process feed water without preliminary treatment of it. Therefore, it is planned to introduce distillation and desalination installations at some TETs's in 1987-1989.

New power-engineering facilities are to be built with evaporator installations, the lead model of which has proved itself well in operation at the Ferganskaya TETs imeni V. I. Lenin.

The execution of these measures will not only permit the operating reliability and economy of thermal electric-power stations and boilerhouses to be raised but also the status of environmental protection to be improved.

The republic is to do a large amount of work on further developing electrification for the needs of the agroindustrial complex and to increase power-supply reliability. During this five-year plan, a number of subdividing substations of 110-35 kV are to be put into operation, rural electrical systems are to be built and existing ones reequipped and rebuilt, temporary primary circuits that deviate from the designs are to be eliminated, and a reserve power supply for first-category customers is to be established.

After the January 1987 CPSU Central Committee Plenum on restructuring and personnel policy, the collegium of Uzbekistan's Minenergo adopted a number of additional measures for developing democracy within the production sphere, and the election of enterprise, department, section and brigade supervisors and of foremen is being introduced. Everywhere exactingness in work with personnel is being raised, and the certification of supervisory personnel, as well as the certification of workplaces, is being introduced.

Work with personnel of the local nationality is being accomplished in the spirit of the requirements of the January CPSU Central Committee Plenum.

During the new five-year plan, about 5,000 blue-collar workers will be trained and retrained right on the job and 2,500 blue-collar workers will be trained in a second vocation.

Work is being done to create a center that uses trainers and to introduce a regional system for training operating personnel there.

In carrying out the socialist commitments that have been adopted, Uzbekistan's power workers have provided for a normal electric-power supply for the republic's economy. All enterprises of the power system have received a certification of readiness for operation under wintry conditions.

The utilization effectiveness factor for rated capacity reached 70.2 percent in 1987 versus a planned 68.2 percent, more than 53 billion kWh of electricity were generated, an increase of 4 percent over last year, and almost 26 million gigacalories of thermal energy were released, an increase of 3.5 percent over 1986.

Labor productivity according to the servicing factor was 0.82 MW/person versus the planned 0.75 MW/person.

A saving of more than 20,000 tons of standard fuel equivalent has been obtained through reduction in consumption for the delivery of electrical and thermal energy, and more than 40 million kWh have been saved by cutting the consumption of electricity for in-house needs.

The profit plan was carried out 102 percent. Above-plan profit was more than 4 million rubles.

The plans for capital construction and for overhaul were fulfilled.

However, in examining the results of power-system operation in detail, the conclusion must be drawn that restructuring and acceleration are being accomplished increasingly slowly.

There are many unsolved problems in the effort to implement the Power Engineering Program; there are, as before, no few instances of equipment failures, emergency stoppages of power units at electric-power stations, and interruptions in the power supply; and, as was noted completely correctly at the 25 April 1987 conference of the CPSU Central Committee, obsolete equipment is being replaced slowly.

The Uzbekistan's power workers' task is to do their restructuring more actively, more boldly and in a businesslike manner, so that acceleration in realizing 27th Party Congress decisions will provide for a reliable power supply for the republic's economy.

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AUTOMATION, AUTOMATED SYSTEMS

Results of Automated Plant Design Competition Reported

18230047 Moscow SOTSIALISTICHESKAYA
INDUSTRIYA in Russian 10 Jun 88 p 1

[Unattributed article: "The Competition is Finished";
for announcement of competition see JPRS-UEA-88-
011 of 21 Apr 1988 p 110]

[Text] The results of the all-union competition,
announced by Minstankoprom USSR, for the best con-
ception for the creation of flexible automated plants
have been summed up. About 69 entries were presented
to the jury.

The first prize in the amount of R20,000 was awarded to
three entries which most completely fulfilled the
required task—the creation of flexible automated plants
on the basis of the "Krasnyy Proletariy" Production
Association and the Kalinin Die Plant imeni 1 May. One
of these entries was completed by a creative collective,
including specialists from ENIMS [Experimental Scien-
tific Research Institute of Metalcutting Tools], Org-
stankinprom [State Design-Technical Institute for Orga-
nization of the Tool-Instrument Industry], Giprostanok
[State Design Institute for the Design of Tool Making],

VNIITE [All-Union Scientific Research Institute of
Technical Esthetics], UkrNIISIP [Ukrainian Scientific
Research Institute of Tools, Instruments and Appara-
tus], the Kalinin Die Plant, the Ryazan department of
Giprostanok and the Krasnyy Proletariy Association.
The creators of the second entry were specialists from
the Tushinsk machinebuilding plant, the MVTU imeni
Bauman [Moscow Higher Technical School], the inter-
sector scientific-production association Elektronmash,
the scientific-production association Tsentrstrem and
the NIAT [Scientific Research Institute of Aviation
Technology]. The third entry was presented by an autho-
rial collective from the Mosstankinprom.

Second prize in the amount of R15,000 was divided
equally between 4 creative collectives, whose work
ensured in the aggregate the comprehensive resolution of
the task of creating an automated plant for the produc-
tion of dies.

Five compensation prizes were also awarded for suc-
cessful development of separate parts of the conception.

The jury recommended that all entries represented in the
competition be turned over to the ENIMS Scientific-
Production Association for use in working out a unified
concept for creating automated machinebuilding plants
UD/325

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